



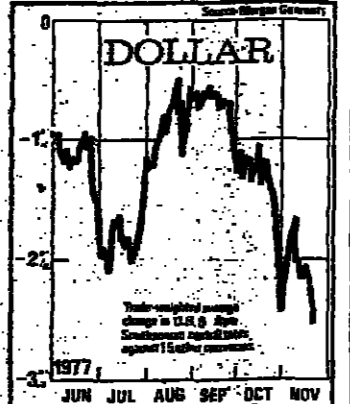
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NEWS SUMMARY

GENERAL
Concorde pens service record
British and French Concorde...

BUSINESS
Equities fall 3.5; \$ loses ground
EQUITIES closed 3.5 down at 471.8. Initial selling depressed the market...

STERLING and the dollar lost ground in the foreign exchange market. The pound closed at \$1.5180, for a rise of 5 points, its trade-weighted index...



WALL STREET closed 4.41 up at 942.72. GOLD fell \$1 to \$174.7, a fall of \$1.11 in nine days' trade.

British and French Concorde pens service record with record
A small group of protesters gathered but did not interfere with the arrival of the aircraft...

Cyclone deaths
At least 10,000 people have died in India's worst cyclone disaster in a century...

Fire flyers
About one quarter of the extra 600 troops that will be deployed in size fighting units will act as living columns...

Aspire attack
Unarmed used machine-gun and snipers in an attack on a civil air barracks in Mungua, near Luanda...

Utch hope
British Christian Democrat and other parties have produced a programme for a Centre-Right coalition government...

Food rescue
British helicopters rescued Europeans, mainly British, in floods in southern Somalia...

Parole Board
Parole Board decided not to release George Lee, who is serving a 15-year jail sentence for his part in a silver bullion robbery...

Shirley Williams
Secretary, is threatening to take legal action to force Eucam County Council to limit plans for a comprehensive school system...

absent-minded bank robber
Dusseldorf left his \$13,400 in a plastic bag on a tram. Munev, neatly packed in a dles, was found by the tram driver...

people were arrested in total last night after scuffles broke out at a National Front meeting, during which an anti-Semitic kitchen equipment to motor cycle group...

IEF PRICE CHANGES YESTERDAY
Prices in pence unless otherwise indicated

Western economies need stimulus OECD warns

BY ROBERT MAUTHNER, Paris Nov. 22

The Western world faces a critical economic situation next year. Urgent action is needed by some of the major Organisation for Economic Co-operation and Development member States to expand their economies, according to the OECD secretariat.

It expressed these views at an inconclusive two-day meeting of the Organisation's Economic Policy Committee. Two of the most important member States, West Germany and Japan, indicated during the meeting that they were unwilling to take the stimulatory measures called for by both the secretariat and several members, including the U.K.

Unemployment would remain static in 1978 even with 4.5 per cent. growth for the OECD area, which Sir Douglas Allen said, was "at least compatible with price stability." After rising in the first half, it should start to fall in the second.

to achieve this objective, the secretariat considers that not only the so-called "income" expansion rate of 3.8 per cent, but also the rate of 5 per cent, which Sir Douglas Allen, the British chairman of the Economic Policy Committee, tried to put a brave face on the proceedings by pointing out that the sum of the growth objectives submitted by the member states indicated that a 4.5 per cent.

Brave face

In particular, the target of a growth rate of 5 per cent for the OECD area as a whole in 1978 would not be reached, nor was the objective for an average annual growth of 5 per cent from 1976 to 1980 any longer attainable after this year's disappointing expansion rate of 3.8 per cent.

Sadat visit may have delayed peace talks

BY ANTHONY McDERMOTT

THE IMMEDIATE prospects for reconvening the Geneva peace conference on the Middle East have receded rather than improved as a result of Arab reactions to President Anwar Sadat's visit to Israel.

One of the main obstacles preventing smooth progress towards a Geneva conference is the disarray in the Arab world. At present, President Sadat can count on open support only from Sudan, Morocco and Oman.

Criticised

In a second group come Jordan and Saudi Arabia, who could be classed as "waverers," although the Jordanians are moving increasingly towards support of the Sadat initiative.

Indeed, very little of substance has emerged of the details of the direct Begin-Sadat talks, and diplomats and observers are evenly divided between those who maintain that President Sadat is being optimistic to be able to present his visit as a success for all Arabs and those who believe Mr. Sadat and Mr. Menahem Begin, Israeli Prime

S. Pearson makes £9.5m. bid for Madame Tussaud's

BY CHRISTINE MOIR

IN A SUDDEN reversal of positions, Madame Tussaud's, owners of the famous London waxworks, became the unwitting subject yesterday of a £9.5m. bid from S. Pearson and Son.

Tussaud's had approached Pearson some months ago with a view to buying Chessington Zoo, Surrey, which Pearson acquired ten years ago as part of a package when it bought Standard Industrial Trust.

Scotland Bill vote defeat shakes Labour

By Richard Evans, Lobby Editor

THE GOVERNMENT suffered a major psychological defeat in the Commons last night when the first clause of the Scotland Bill was rejected by a combination of Conservative, Liberal and Nationalist votes.

The clause, a declaratory one introducing the legislation regarded by ministers as the most politically important of the session, does not affect the major proposals contained in the Bill for devolving powers to a Scottish Assembly.

Gloomy picture

But the Germans had already made it clear yesterday that they were not planning new tax reductions, since the last batch was not due to be implemented until January 1, 1978.

Guillotine

The first clause of the Bill—just one paragraph—states that the provisions of the Act make changes in the government of Scotland as provided in the Act.

All 11 Scottish Nationalists, the three Plaid Cymru MPs, and all six Liberals present voted against the clause, with the Conservatives, several Labour MPs obtained and the Government Whips had no chance of matching the Opposition vote.

Two Labour MPs voted in both lobbies—for and against the Government—in a protest against Government insistence that Ministers must not vote against the European Parliament election Bill on Thursday.

One rebel, former Tribune Group chairman Mr. Arthur Latman (Paddington) said in future a group of about half a dozen would register double

ing more critical, and at attempting to persuade Syria (and the PLO) to resist efforts led by Libya to set up a firm and broad-based "rejectionist" front.

For the Arabs, such concessions, which would rehabilitate Sadat and make the reconvening of Geneva possible, would have to concern the representation of the Palestinians and a commitment to considerable withdrawals from occupied Arab territory.

Unless these concessions had already been made secretly, most observers were finding it hard yesterday to provide grounds for President Sadat's optimism.

EEC Split for Sadat, Page 4
Oil widens, Page 6

New jobless figures show slight fall

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

ADULT unemployment has fallen slightly, for the second month running.

But the underlying trend is unclear and the turning point is not generally expected to occur at the earliest, until towards the end of next year.

The Department of Employment announced yesterday that the number of adults out of work in the U.K. fell by 500 to 1.43m., seasonally adjusted, in the month to mid-November.

This fractional drop follows a fall of 13,300 in the previous month, though it is not regarded as at all conclusive after a rise of 130,500 between mid-May and mid-September.

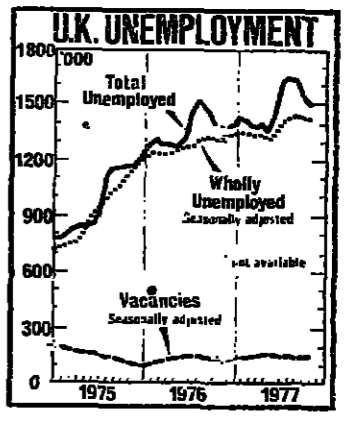
The very slow rate of growth of output so far this year would normally point to a continuing rise in unemployment. But the relationship between output and employment has become much more complicated than in the past.

There does, at least, appear to be a lower rate of underlying growth than in the summer, and a rise in notified vacancies — always an advance indicator of labour market activity — for the second month running is seen in Whitehall as encouraging.

Notified vacancies rose by 2,200 to 155,800, seasonally adjusted, in the month to mid-November. This is the highest level since June, and more than 20,000 up on a year ago.

The recent mini-Budget will take several months to have any impact on employment and the Treasury estimates that the measures will reduce unemployment by 110,000 compared with what would otherwise have occurred by the first quarter of 1978.

Mr. Denis Healey, the Chancellor, has said he expects a slow



but steady fall in unemployment to begin in the coming year. This in turn reflects the view that productivity is growing by only about 2 per cent a year now with a further point from the growth in the labour force and North Sea oil.

Forecasters are more pessimistic about the unemployment prospects and argue that structural changes are working against a rise in employment.

In a recent report the Manpower Services Commission warned that unemployment was likely to remain relatively high in the next five years.

BLACKWOOD HODGE. There are still a few places where Blackwood Hodge aren't known. Still the world's largest distributor of earthmoving equipment.

Table with 2 columns: Item, Price. Includes items like Furness Wiltby, Hall (M.), Hambros, Johnson Firth Brown, Metal Box, Pegler-Hattersley, Power Duffryn, Roper, Taylor Woodrow, Thomson Org., Transparent Paper, Trust Houses Forte, Unilever, Walker (Gas), Wedgwood, Wm. Innes, East Rand Prop., Wm. Lewis, Walker, Walford.

Table with 2 columns: In New York, Previous. Includes items like S. 1,271-8226, S. 1,271-8226, S. 1,271-8226, S. 1,271-8226.

LOMBARD Cost of current cost accounts

BY ANTHONY HARRIS THE APPEARANCE of the Hyde out of future earnings, it is illogical to charge the cost to earnings even before the investment is made.

Assault

However, the compromise only goes half way to meeting the demands of banks and financial companies for a system of accounting which recognises that they too are compelled to provide capital to preserve their businesses in the face of inflation: so it is not surprising if bank companies are rather reluctant to sign up to a new principle of current cost accounting.

Changes

Although these effects have to some extent been discounted in the market, the change in the league table could still be startling. Among the industries whose reported profits are likely to fall by 40 per cent or more are engineering (70 per cent), motors, textiles, oil and paper. Among those whose profits will fall by 20 per cent or less are food, retailing, stores, entertainment, breweries (what Mr. Willmott would have called a candy-floss group), along with chemicals and shipping (rather oddly).

DOES IT MATTER how you design your garden? I was asked this recently from an audience which tended to think that it did not. There were certain basic principles, they felt. Paths must take the shortest line between two points and must not lead nowhere. Island beds should be avoided; borders were best when they ran in a straight line away from a window of the house, so that you would look down them, jumping over the gaps and noticing only the features of the moment.

Sites vary

So far, so good, but most gardeners live in towns and suffer from shade or from long, thin gardens which are quite inaccessible except through their house. It would be too boring to line the walls of these with borders, as my largely rural questioners suggested. Nor is it possible to shape the ground, unless the levels or underlying earth-works, as the garden cannot be reached by machinery. In these settings, where there is nothing much in your favour, you are advised to think very carefully about design.

Going will suit Bachelor's Hall

THIS YEAR'S race for the Hennessy Cognac Gold Cup, which maintains its place as one of the five richest in the British steeplechase calendar, promises to be one of the best in the history of the prize. The cognac race, which comes off on Saturday, with its 21st running, will be another fine field even if Gordon Richards

RACING BY DOMINIC WIGAN

decides to pull out the one-time market leader Tamalin on account of the state of the Newbury turf. A firm favourite, following a flood of money over the weekend, is that much-vaunted American chaser Fort Devon, who drew attention to his wicket when landing the Berkshire course's Hermine Chase at the expense of Graigue House a month ago.

GARDENS TO-DAY BY ROBIN LANE FOX

English Gardens (1904). Jekyll and Weaver's Gardens for Small Country Houses (1913) and H. A. Tipping, Gardens Old and New. Buy the books, if you find them. Otherwise, look elsewhere unless you can weed out and sale down. One slim book which could well be reprinted is the New Small Garden, by Lady Allen and Susan Jellicoe, issued in 1956 by the Architectural Press.

More money urged for sport

SPORT NEEDS more money, and a more even spread of facilities in spite of the record numbers of people taking part, according to Sir Robin Brook, chairman of the Sports Council, in a five-year review of the council's work. Although Sports Council grant aid had increased from £50,000 in 1971-72 to nearly £25m in 1976-77, sport remained the " Cinderella " of public spending.

All set for a Ford benefit

AS SO often in the past, this year's Lombard-RAC rally stands out from the crowd as a Ford Ford Escort benefit. Ford has won the tough 1,900-mile chase through the forests and mountains of Britain for the past five years. Last night Escorts held four of the top six places.

Sidney Spiro to join Hambros

Mr. Sidney Spiro has been appointed director of HAMBROS LIMITED, an Anglo-American Corporation group and chairman of Societe de Tenk-Fungurum. He is also a director of Barclay's Bank International and De Beers Consolidated Mines, Rio Tinto Zinc Corporation, and a member of the International Advisory Council of the Canadian Imperial Bank of Commerce.

Record £2,400 paid for campaign medal

A FIRST EDITION of Redoute's Les Roses with 188 hand-coloured plates, which was published in Paris between 1817-24, sold for £28,000 (double the estimate) at Sotheby's yesterday. It was the prize lot in a two-day auction of scientific printed books which totalled £212,700.

SALEROOM BY ANTHONY THORNCROF

An even better Sotheby's sale saw £48,158 raised on the first day of a two-day auction of the military and naval campaign medals collected by the late Charles Lovell, of Bristol, who served in the 1914-18 war, and who was awarded the Victoria Cross in 1918.

RAC RALLY BY JOHN GRIFFITHS

clutch problems, and the drop to 28th place from 5th of the Swede Bjorn Waldegard. His Escort holds a 43-second lead over the second placed Toyota Celica of Finn Hannu Mikkola, who is himself to rejoin the Ford team next season.

APPOINTMENTS

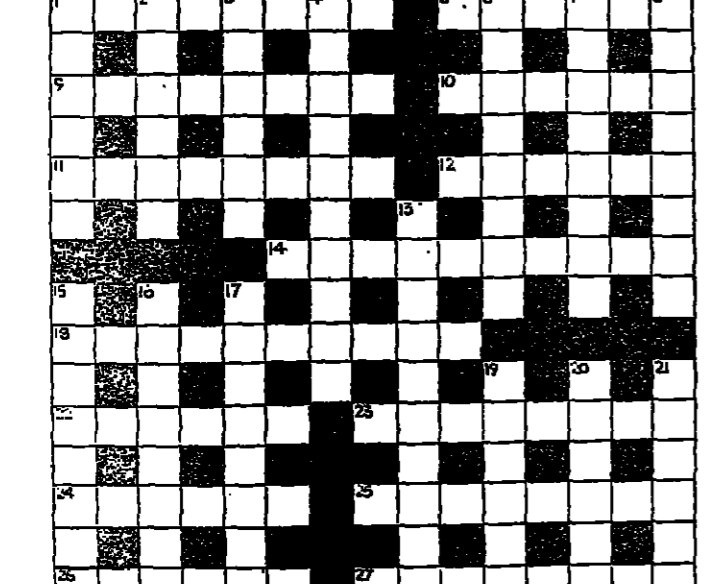
- Mr. Sidney Spiro has been appointed director of HAMBROS LIMITED... Mr. David Pleaslow, group managing director of Rolls-Royce Motors... Mr. R. W. Wyatt, chairman of Matthews Meats...

Radio

- BBC 1 9.15 a.m. For Schools, Colleges, 10.45 You and Me, 11.00 For Schools, Colleges, 12.45 News, 1.00 Pebble Hill, 1.45 The Plumbers, 2.01 For Schools, Colleges, 3.25 Volunteers, 3.53 Regional News for England (except London), 3.55 Play School (as BBC 2), 11.00 a.m. to 4.20 Stories, Squirel, 4.23 Janknary, 4.40 The Pink Panther, 5.00 John Craven's Newsround, 5.10 King Cinder, 5.35 Ivor News.

- 12.30 a.m. to 6.30 a.m. News, 7.00 Thames at 6, 7.55 This is Your Life, 7.57 Coronation Street, 8.00 Wednesday at Eight, 9.00 Disappearing World, 10.30 The Wednesday Special: "Frenzy" starring Barry Foster and Alec McCowen, 12.35 a.m. Close: John Rye reads poems by Philip Larkin. All IBA Regions as London except at the following times: ANGLIA 10.31 a.m. Survival, 1.25 p.m. Ximla News, 2.00 Houseparty, 2.25 Tandarra, 4.00 Granada Reports, 4.30 Happy Days, 6.30 News, 7.20 Home Report, 7.55 News, 8.00 Houseparty, 8.25 Tandarra, 8.35 Sir and Mrs. M. 12.35 a.m. The Question, 1.20 p.m. ATV Newsweek, 2.25 Upstairs, Downstairs, 5.15 Sir and Mrs. 6.30 ATV 70-Day, 7.30 Newsday, 7.30 Newsday, 8.05 The Master Game, 8.25 My Music, 8.30 Hospital, 8.50 The Ambassadors" by Henry James, 11.20 Late News on 2, 11.20 Arena: Art and Design, BBC 2 Scotland only 12.05-12.15 a.m. Party Political Broadcast by the Scottish National Party.

F.T. CROSSWORD PUZZLE No. 3526



- ACROSS 1 Reaction to fogging (8) 2 Beetle off to mark seller (6) 3 Shelter directors used to stop boat drifting (9) 4 Conveyance comes in the end (6) 5 Last thing shock does to bird (8) 6 Member allowed to have a had (6) 7 Has been and used police (6, 5) 8 Exposed spoils young Henry gives service chief (3, 7) 9 Visible ammunition for draughtsman (6) 10 Study article further with tenderness in the score (3, 5) 11 Silence chap offers to crack (6) 12 Business asset can be proved after death (8) 13 Angry outburst from one in business (6) 14 Argumentative maths scholar (8) 15 Attribution in paper comes through agency of family (2, 4) 16 Cloth making broken leg cry (6) 17 Expect to take care of... (4, 2) 18 way in which person barely appearing might rush by (6, 4) 19 Innocent going to leave (5, 3) 20 Teasing enthusiasm for trains? (8) 21 Person expiring in interval boat drifting (9) 22 A sewage worker may sometimes be unpopular (2, 3, 5) 23 Preserve drunk from getting very lively (3, 5) 24 A toll-royce is connected with fury of an orchestrator (8) 25 Family eccentric puts programme on course (4, 4) 26 Average fellow earns remission (6) 27 Coal is accepted for living in organised communities (6) 28 Dickianian in better health? (6) SOLUTION TO PUZZLE No. 3525 ACROSS 1 E N T E R I N G 2 T H U M B 3 R E S E R V I N G 4 D R I F T I N G 5 S H O C K 6 M A H A D 7 P O L I C E 8 H E N R Y 9 A M M U N I T I O N 10 D R A F T S M A N 11 S H O C K 12 M A T T E R 13 R U S H 14 H E N R Y 15 V I S I B L E 16 A M M U N I T I O N 17 C O A L 18 D I C K I A N I A N 19 H E A L T H 20 L I V I N G 21 B E T T E R 22 R E M I S S I O N 23 C O M M U N I T I E S 24 H E A L T H 25 A S S E T 26 O U T B U R S T 27 M A T H S

EUROPEAN NEWS

French threat to block EEC's regional fund

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

FRANCE TO-DAY threatened to block renewal of the EEC's regional fund after the end of this year unless other governments agreed to its demand for an increase in its statutory percentage share of the fund's resources.

BRUSSELS, Nov. 22.

Ministers praise Sadat's courage

BY OUR OWN CORRESPONDENT

BRUSSELS, Nov. 22.

SPAIN and Portugal today signed a ten-year renewable treaty of friendship pledging close political, economic and military co-operation to preserve the security of the Iberian Peninsula.

New Iberian friendship treaty

BY ROBERT GRAHAM

MADRID, Nov. 22.

Executive pay still well ahead in France

By Robert Mauthner

PARIS, Nov. 22.

THE AVERAGE income of French executives is still four times higher than that of ordinary workers, but the past ten years have seen a substantial reduction of wage and salary differentials, according to a report published at the request of the Prime Minister, M. Raymond Barre.

The average monthly salary after tax of a senior executive (cadre supérieur) in 1976 was Frs.3,400, equivalent to an annual after tax income of about Frs.110,000 (about £12,700), including the almost universal payment of a 13th month.

'Wise men' urge pay restraint on Bonn

BY ADRIAN DICKS

BONN, Nov. 22

WEST GERMANY needs wage restraint if it is to build on the big inflationary stimulus provided by the Government so far to raise growth and provide more jobs in 1978. This is the conclusion of the 'five wise men' panel of independent economists who regularly comment on official policies, in their annual report.

NUCLEAR POWER IN WEST GERMANY

An argument about growth

BY JONATHAN CARR IN BONN

THE LEADERS of West Germany's ruling parties have scored a tactical triumph over those urging a ban on nuclear power in the country's energy resources for years to come.

West Germany cannot afford not to stick to its nuclear path. Nor can it afford to drop plans for fast breeder reactors or an integrated reprocessing and waste disposal plant.

measures totally at odds with a short-run too. West Germany's economic growth is being held back by a shortage of energy.

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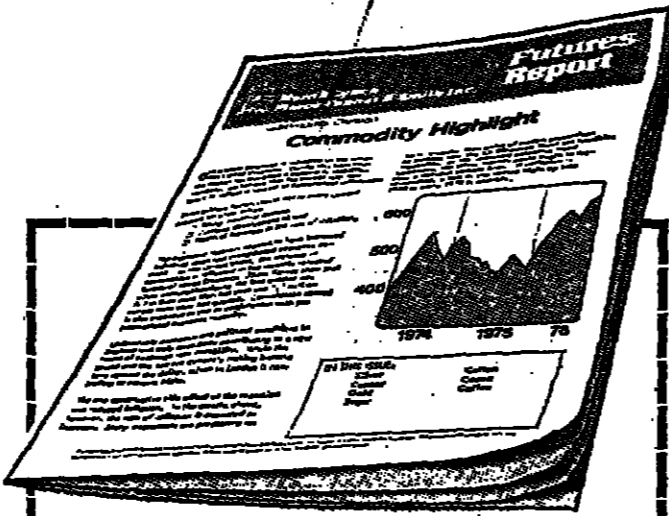
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Air France strike planned

By Michael van Os

AMSTERDAM, Nov. 22. THE PROVISIONAL policy agreement announced in The Hague by the Christian Democratic Party (CDA) and the right-wing VVD.

Malta accord

Malta will sign a separate accord with Libya in the event of France and Italy rejecting the island's plea for defence and economic aid.

Portugal investment

Portugal is to mount a campaign for foreign investment to help its economy recover from the world recession and political turmoil that began in 1974.

Czech-Austria pacts

Two agreements were signed in Vienna yesterday by Austria and Czechoslovakia on cultural and scientific co-operation, and the opening of two new border crossings.

Mayor's visit

The Mayor of West Berlin, Herr Dietrich Stobbe, begins his first official trip to Britain today.

Few surprises in Dutch coalition pact

By Michael van Os

AMSTERDAM, Nov. 22. THE PROVISIONAL policy agreement announced in The Hague by the Christian Democratic Party (CDA) and the right-wing VVD.

Poles plan big consumer goods boost

By Christopher Bobinski

WARSAW, Nov. 22. THE POLISH Government yesterday approved an economic plan for 1978 which forecasts a 5.4 per cent growth in national income, 6.7 per cent growth in agricultural production and 6.3 per cent growth in industrial output.

Romanian Ministers sacked

By Paul Landval

VIENNA, Nov. 22. THE ROMANIAN Minister of Industrial Construction, Vasile Bumbacea, his deputy, Constantin Ionescu, and Deputy Minister of Foreign Trade, Mr. Ion Florescu, have been sacked for violating 'discipline' according to the Yugoslav News Agency Surlistat.

TELEX 530 P

TELEX 530 P. Telegrams sent at 20 telegrams per minute. Includes details on rates and services.

Energy formula emerges

BY DAVID BELL

Mr. Carter's Administration now begins to outline the promise that it may be prepared to accept in order to get the controversial Energy Bill through Congress. Details of the possible compromise have been emerging on Capitol Hill but yesterday afternoon Dr. James Schlesinger, the Energy Secretary, told a press conference in more detail what the Administration might be prepared to accept. The energy

WASHINGTON, Nov. 22.

Bill is currently being discussed by a joint conference committee of the House, which approved most of the original Bill, and the Senate, which did not. Dr. Schlesinger said that the Administration may be willing to accept higher prices for new natural gas than now proposed and may approve more extensive tax credits for businesses converting to coal than allowed for in the present Bill. Further, he said, the final bill may provide more revenue for the oil industry—to stimulate further exploration—than was first indicated. But he said that in return for making these concessions the Administration is standing firm on the key points in the plan. These include the proposed windhead tax on domestic oil destined to bring it up to the world price, the extension of gas price controls to the intrastate market and a tax on the use of both gas and oil by business.

McDonnell Douglas in W. German fighter deal

By Stewart Fleming

NEW YORK, Nov. 22.

McDONNELL DOUGLAS, the U.S. aerospace company has linked with Messerschmitt-Boelkow-Blohm, West Germany's largest aerospace concern in an agreement to examine systems, materials and applications technology for an advanced fighter aircraft. Such an aircraft may be required in the U.S. or Europe in the late 1980s or early 1990s.

A McDonnell Douglas spokesman pointed out that the agreement is a formalisation of two years of discussions between the two companies. The work is preliminary and, the spokesman added, the funds being committed are modest in comparison with the cost of actually designing and developing such an aircraft.

British Aerospace and another U.S. manufacturer of military aircraft, Grumman, are also collaborating on technical work. A spokesman said today that no specific aircraft design was being considered. The two companies have been carrying out technical studies, with Grumman working on composite material development and the British on wind tunnel work. For advanced vertical take-off and landing aircraft, but a Grumman spokesman stressed that this collaboration was at a very early stage.

Brazil to defy Vance on nuclear development

BY DAVID WHITE

RIO DE JANEIRO, Nov. 22.

BRAZIL is not prepared to budge from its position on nuclear development, the first in a list of subjects which Mr. Cruz Vance, U.S. Secretary of State, said today he had come to discuss, Brazilian diplomats said. Mr. Vance arrived in Brasilia today from Buenos Aires, and was due to meet President Ernesto Geisel later in the day before leaving for Caracas on the last leg of his Latin American trip to-morrow.

The Secretary of State said he would bring up the question of human rights in Brazil, as he did in Argentina. He also said he would discuss economic matters of bilateral and international interest.

The Brazilian Government remains firm in its opposition to any alteration in its 1973 nuclear accord with West Germany and refuses to sign the 1985 nuclear non-proliferation agreement. Brazil opposes the treaty for its "discriminatory character" but has repeatedly affirmed its commitment to exclusively peaceful uses of nuclear energy.

major stir in Brazilian military circles earlier this year when she accepted protest letters from Brazilian students and families of political prisoners.

Robert Lindley writes from Buenos Aires: Contrary to expectations, it is now clear that the main reason for Mr. Vance's 36-hour stop-over in Buenos Aires was to forestall the production of nuclear weapons in Latin America and not to discuss the human rights situation in Argentina. Mr. Vance was escorted by Foreign Minister, Admiral Oscar Videla, and the Foreign Minister, statement released last night by Admiral Oscar Montes, trying to prevent what a list of nuclear arms in the joint Argentine-U.S. statement area.

Peru austerity plans

BY HUGH O'SHAUGHNESSY

PERU is to undertake an austerity programme in the wake of the granting of a \$10m. credit from the International Monetary Fund.

Speaking at a conference for businessmen in Cuzco, General Alcibades Saez, Minister of Economy announced that the remaining subsidies on staple items such as milk and wheat would be abolished and public spending cut. Various ministries

Modest rise in U.S. consumer prices

By Our Own Correspondent

WASHINGTON, Nov. 22.

CONSUMER prices in the U.S. rose by a modest 0.3 per cent. in October, the same rate as in the previous two months. The main contributory factor was once again the food sector, which rose by only 0.1 per cent. in October, demonstrating that the recent firming of food prices had not yet filtered down to the retail level.

Upward pressure from food, however, is certain to be felt over the next few months: the October wholesale price index rose by 0.8 per cent., largely because of a 2.4 per cent. jump in the farm products component, while a recent survey by the Department of Agriculture projected that food prices would go up by about 6 per cent. in the course of next year.

The Administration may draw some encouragement from the fact that the cost of services only went up by a seasonally adjusted 0.4 per cent. last month. The White House is extremely pleased by the October figures, said deputy Presidential Press Secretary Rex Grumman. The quietest rise in personal income are being translated into gains in real purchasing power which should help bolster consumer spending.

Iron dispute settled

BY JOHN WYLES

NEW YORK, Nov. 22.

EVELAND-CLIFFS iron company, the United States' largest independent iron ore producer, agreed peace terms with its 90 workers who have been on strike since August 1.

This is the first local settlement of the protracted pay dispute since a joint settlement proposal from all eight iron ore producers affected by the stoppage failed to win the strikers' approval a fortnight ago. Since then the companies have apparently agreed to seek local settlements.

The Cleveland-Cliffs agreement sets in only one major respect the industry-wide offer in which it undertakes to continue paying a 30-cent-an-hour attendance bonus to those employees who will not qualify for incentive payments under a scheme to be introduced in November 1979. The proposal, a fortnight ago would have eliminated this bonus for all workers at the start of the incentive scheme. In effect this would have resulted in a pay cut for about 4,000 of the industry's 15,000 workers.

The strike over incentive payments has been an unusually bitter one because the employers claimed that the stoppage was outlawed by the steel industry's experimental negotiating agreement of last April. The United Steelworkers maintained, however, that incentives were a matter for local negotiation and that the dispute was not, therefore, subject to the binding arbitration of the national agreement.

Iron and steel production has not been at all threatened by the stoppage since the stocks are on the ground to carry the industry through into the New Year. But it has cost Cleveland-Cliffs approaching 4m. tons of production, and it will be seeking to move as much iron ore as possible from its upper Michigan mines before ice on the Great Lakes halts shipments for the winter season.

FBI had orange plan to squash Panthers

By David Bell

WASHINGTON, Nov. 22.

AN EXTRAORDINARY campaign of systematic disruption and dirty tricks is revealed in more than 15,000 pages of Federal Bureau of Investigation (FBI) files recently released by the Agency to-day.

Throughout the 1960s, according to the files, the FBI crosslessly intervened in the affairs of sundry groups on the Right and Left of the political spectrum sparing no efforts to discredit them. Some of the incidents make bizarre reading in the calmer atmosphere of the 1970s.

There was, for instance, the case of the oranges. An agent proposed that they should be injected with a mild laxative before being delivered as a free gift to the Black Panthers. The idea was that not only would the Panthers be taken ill, but that they would also grow suspicious of free food.

Mr. J. Edgar Hoover, the FBI's director, had a special interest for groups on the Left and for the Communist Party. One scheme involved sending through the air conditioning system at the 1966 Communist Party convention but he tried to be fair. Thus the FBI tried to smear the grand wizard of the Ku Klux Klan, hoping that it would respond in kind and said then be unseated.

FBI agents infiltrated every organisation that mattered and a good few that did not. A Montgomery, Alabama, agent soberly noted that "the only black nationalist organisation in this division is the Youth Progressive Party which has a reported membership of eight, two of whom are informants."

FBI agents also paid newspaper subscriptions for top members of the Communist Party and were the leading distributors for a series of Black Panther colouring books which depicted policemen as pigs. The Panthers ways denied that they had anything to do with these sly publications.

Agents were particularly leapt at distributing newspapers and pamphlets—printed for security—on unwatermarked paper—designed to evade the maximum discoloration group opposed to the war in Vietnam. Some of their publications contained false tales of people willing to help demonstrators, and estate agents in some cities were sometimes enlisted to help evict tenants living in "politically undesirable" communities.

The whole operation, which began in 1956 and continued to the 1970s, was carried out under the code name Intelpro and was widely suspected at the time, although ever the most cynical opponents of the war scarcely imagined the full range of heresive activities unveiled these files.

All through this period supporters of Dr. Fidel Castro never ignored by the government, who in particular athing for the Cuban leader. The scheme involved using substitutes to shame pro-Cuban activists. On another occasion an FBI agent wrote a letter to the Panama attorney general of the Fair Play for Cuba Committee of embezzling funds.

It all seems to have been very much in a day's work for the FBI. And there is more to come. It withheld a further 800 pages of files as too sensitive.

French caution on arms sales

French Defence Minister M. Yvon Bourges, completing two days of talks, including a meeting with President Carter, said yesterday that restraint on arms sales is an issue that cannot be dealt with bilaterally between France and the U.S. UPI reports from Washington M. Bourges said at a news conference that the question of arms sales to third countries came up in his talks with the Defence Secretary Mr. Harold Brown. U.S. policy is to limit arms sales in the future below the figure for fiscal year 1977. Earlier this year, President Carter said he would try to get other countries to adopt restraints on the growing world arms trade. "France believes this is a problem which must receive an international solution," said M. Bourges, adding that his country has "certain commitments" to sell military hardware but is "a modest supplier of arms in the overall East-West context."

Argentine crash

Reports conflict on the number of survivors in the crash of a honeymoon charter aircraft near the mountain resort of Bariloche in south west Argentina, reports Reuters. "Informal sources" in Bariloche said at least 41 of the 79 people on board survived the crash of the BAC-111 of the domestic airline Austral yesterday. But an Argentine communist said between 25 and 40 survived. The plane was carrying mostly honeymoon couples on a charter flight from Buenos Aires to the winter ski resort.

Food programme

The U.S. Government has ended a seven-week halt in its \$800m-a-year foreign food programme and resumed shipments under new rules for helping Governments considered to have repressive human rights policies, reports UPI. Resumption of the Food for Peace programme followed development by the State Department of new policies. A new law passed in August provides that countries which violate human rights cannot get long-term, low-interest credits under the programme unless the food involved is used to benefit only the needy. Indonesia, Bangladesh and South Korea will have to meet the special reporting terms covering aid for needy people.

Mexico rail bid

A British consortium has proposed construction of a Mexico City suburban railway network at a cost of £17bn. pesos (\$740m.), AP-DJ reports from Mexico City. Mr. J. Graham Day, director of the Bre-Metro Consortium said the project will be discussed this week with officials from the secretariats of Communications and Transport and Public Works and Human Settlements. The consortium estimates the project would take three years to complete.

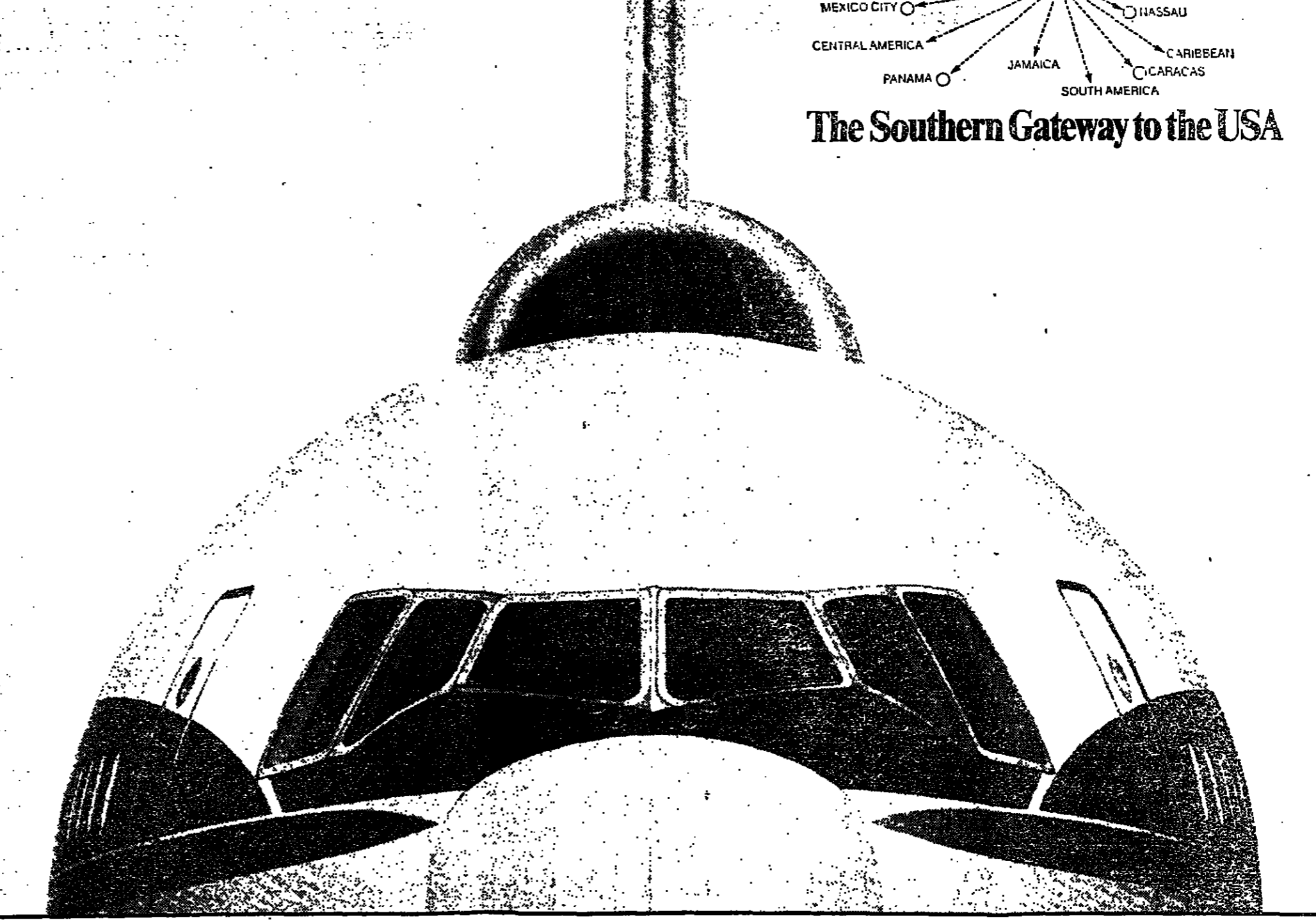
Research boost

President Carter said yesterday the new Federal budget submitted to Congress in January would contain more money for scientific research and development. Reuter reports from Washington. The President did not disclose the amount, but said it was needed because of a decline in the quality of scientific equipment and in the number of top-rank laboratories in recent years.

Peru borrowing

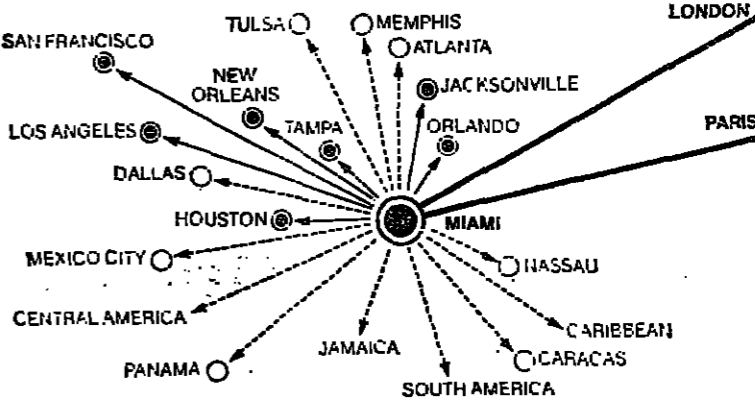
Peru is to seek an immediate \$100m. loan from international banks, Economy and Finance Minister, Alcibades Saez Bersano announced, reports Reuter. Saez said reports the loan will enable Peru to meet urgent financial obligations before it receives the first tranche of standby credit from the International Monetary Fund (see Peru's austerity plans). The loan will be the first stage of \$800m. which Peru wants to obtain from U.S., Japanese and European banks to ease its balance of payments difficulties.

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OVERSEAS NEWS

UN row highlights Arab split

BY OUR OWN CORRESPONDENT

SHARP DIVISIONS between Syria and Egypt over President Anwar Sadat's week-end peace initiative were highlighted dramatically in the United Nations General Assembly today when the Egyptian chief delegate walked out in protest at a bitter Syrian attack.

Speaking on the opening day of the assembly's annual debate on the Middle East, the Syrian representative, Mr. Mowaffak Allaf, delivered a diatribe against Mr. Sadat, whom he accused of shaking hands with "Zionist butchers."

Nimeiry visits Cairo to show support

BY MICHAEL TINGAY

PRESIDENT Jafaat Nimeiry of Sudan visited Cairo briefly today for talks with President Sadat in a show of support for his closest political ally.

Only four Arab states—Sudan, Oman, Morocco and, unofficially, Jordan—support President Sadat and yesterday's arrival of President Nimeiry was particularly welcome.

resolution condemning the Israeli occupation of Arab territories, calling for total withdrawal and for the convening of the Geneva conference with PLO participation.

The Security Council also would be asked to take "all necessary measures"—a hint of sanctions—to ensure Israel's observance of UN resolutions.

Efforts have intensified to reconcile Iraq and Syria and bring them into a "rejectionist" front with Libya, Algeria and the Palestine Liberation Organisation (PLO) to confront Mr. Sadat.

They have already drafted a resolution condemning the Israeli occupation of Arab territories, calling for total withdrawal and for the convening of the Geneva conference with PLO participation.

A government spokesman said last night: "The door opens to the Geneva peace conference. There are two elements in the position which have yet to be settled. One element concerns the Arab countries and the second element concerns the nature of Palestinian representation at Geneva."

Dayan demands decision

BY DAVID LENNON

ISRAEL has reached the fateful hour and must make up its mind quickly what position it will adopt, Mr. Moshe Dayan, the Foreign Minister, told the Likud Knesset faction this evening.

U.S. still committed to overall settlement

By David Bell

WASHINGTON, Nov. 22

THE CARTER Administration today reaffirmed its commitment to the need for an overall settlement in the Middle East in a further attempt to prevent a lasting split in Arab ranks.

Mr. Warren Christopher, the Deputy Secretary of State, reiterated the Administration's policy in a speech before a Jewish audience in San Francisco.

U.S. officials have still not received full reports of the lengthy conversation that Mr. Sadat had with Mr. Menachem Begin, the Israeli Prime Minister, and there is a strong suspicion here that the two sides did reach agreement on some Israel compromise which could possibly ease the way to reconvening a new Geneva conference.

This optimism is heavily qualified, however, by continuing evidence of serious fissures within Arab ranks.

Surgeon says he was shocked at Biko's death

By Quentin Peel

JOHANNESBURG, Nov. 22

A DISTRICT SURGEON who examined Mr. Steve Biko, the South African "black consciousness" leader, several times before he died in police detention, said today he had been "very much surprised" and "worried" when he heard that Mr. Biko was to be transferred more than 700 miles by road to Pretoria.

On the seventh day of Mr. Biko's inquest in the state capital, evidence was given by two doctors from Port Elizabeth—where he was interrogated by security police—of their inability to diagnose any illness or organic ailment, although he spoke in a slurred manner, complained of weakness in his arms and legs, refused food and drink, and had urinated in his blankets.

During a second day's cross-examination, Dr. Ivor Lang, a district surgeon, admitted he was shocked when he was told of Biko's death, the day after he was transferred to Pretoria, and "it was quite obvious that at no stage had the security police suggested that Mr. Biko might have suffered a head injury—which is given as the cause of death in the pathologist's report."

Pressure on \$ pushes yen higher

By Quentin Peel

JOHANNESBURG, Nov. 22

The yen hit a new high of 341.30 to the U.S. dollar in heavy trading yesterday, in spite of intervention by the Bank of Japan.

Both he and Dr. Benjamin Tucker, the chief district surgeon, denied ever seeing a scab and a swelling on the dead man's forehead, although he was examined on several occasions. Dr. Lang denied that his attention had been diverted from examining Mr. Biko's body by the security police.

Three young blacks were found guilty in Pretoria Supreme Court today on charges of recruiting people to undergo military training outside the country, and importing arms and explosives with the aim of violently overthrowing the South African Government.

Kaunda's Rhodesia policy

By David Bell

LUSAKA, Nov. 22

ZAMBIAN President Dr. Kenneth Kaunda is believed to be preparing a note to Britain and the United States setting out his position on their troubled Rhodesia initiative.

Dr. Kaunda has called for elections in Rhodesia to be postponed until the government of national unity led by the Patriotic Front nationalist organisation has ruled the territory in its first years of legal independence.

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Indonesia corruption

By David Bell

JAKARTA, Nov. 22

President Suharto yesterday ordered the highest-level investigations yet in Indonesia's five-month anti-corruption drive.

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China's exam fever rises

By Yvonne Preston

PEKING, Nov. 22

million applications have been received in Heilongjiang province alone, according to a provincial official, for a mere 8,000 places.

Few examinations in the world could rate as competitive as this one. Few are so important to the examinees. And few could be destined to build up so much resentment among failed candidates.

Provincial cadres have felt it necessary to soft-soap those who will fail by claiming that it is just as honourable to go to the countryside or work in the factory as study for a degree.

The view is unlikely to be enthusiastically endorsed by students or their parents who have been subjected to ten years of egalitarian propaganda and who are now seeing privilege raise its head again.

Applications are open to workers, peasants, and soldiers and to this year's high school graduates as well as those from the past two years who are now working out their time in factories and communes.

Last year's campaign to oust Teng Hsiao-Ping from office was conducted largely from the universities. The small student body has meant a very high ratio of teachers to students.

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Peking-Hanoi rift remains

By a Special Correspondent

PEKING, Nov. 22

MR. LE DUAN, the Vietnam Communist Party leader, leaves Peking tomorrow following a low-key brief visit which has not apparently narrowed the rift between Peking and Hanoi.

He leaves without giving the customary return banquet for his Chinese hosts in the Great Hall of the People or making the ritual end-of-visit speech in the Chinese capital. He flies direct to Canton and from there to Hanoi without even a passing pretence at the provincial tour usual for visiting foreign leaders.

On his arrival in Peking on Sunday he was accorded the standard official welcome with none of the lavish displays of Tien an Men dancing girls and the open car ride through the city with Huo Kuo-Feng, the Communist Party chairman,

which honoured the visit of President Tito of Yugoslavia and the Cambodian Party and Government chief, Pol Pot recently.

Mr. Duan met Chairman Hua Kuo-Feng for talks on Monday afternoon, but as usual no details were released.

China is unhappy that the Spratly Islands are now in Vietnamese Communist hands, and as recently as the middle of last year renewed her claims to both islands, believed by all contenders for them, including Taiwan, to be rich in oil.

The Vietnamese have been just as strident in their territorial claims to the islands.

With China temporarily at least pursuing a more moderate line towards Asia's revolutionary movements in the interests of first containing

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travel around the country state expense helping Mao Tse Tung overthrow his bureaucratic enemies and criticising their teachers.

WORLD TRADE NEWS

Japan to give steel cost data to U.S. Subsidies 'threat to trade'

TOKYO, Nov. 22. The object of providing production cost data, so far as Japan is concerned, is to lay the basis for a negotiated settlement under which the selling price of Japanese steel in the U.S. will be raised to a level substantially higher than at present, but still lower than the domestic selling prices of the U.S. steel industry.

SINO-BRITISH TRADE

Slow lift-off for Harrier

WHEN Vice-Premier Wong Chen told a senior British industrial delegation visiting Peking earlier this month that China intended to buy the Hawker Siddeley Harrier vertical take-off fighter, he was only voicing thoughts that the Chinese have been discussing privately with high-level British visitors for some time.

EEC to hold trade talks with China

EUROPEAN Common Market Foreign Ministers yesterday agreed that the Community will open negotiations with China on a non-preferential trade agreement.

Simon Carves—Soviet financing

THE STERLING financing agreement for a £75m. rubber processing plant, contract between Simon Carves and the Soviet foreign trade organisation, was signed here today by Morgan Grenfell and the Soviet Bank for Foreign Trade.

An important question in proposed U.K. Harrier sales to China is how strongly the U.S. would object.

When Li Chianq, Peking's Minister of Foreign Trade, visits London at the end of this month, he may bring a possible deal nearer. In the meantime the fact that he has put Britain at the top of his visiting list (it is his first trip to Europe) is seen as encouraging for trade in general.

Becham Irish plant

Becham, the British pharmaceuticals giant, has been given a go-ahead for a £25m. plant in the west of Ireland by the public's Planning Appeals Adm. Giles Merritt writes from Dublin.

Italy signs Moscow deal

ITALIAN Foreign Trade Minister Sig. Rinaldo Ossola today signed a \$650m. trade credit to the Soviet Union to finance Soviet imports from Italy.

New from Texas Instruments. Fine quality quartz watches with self-powered illumination for continuous day and night display.

Thessoe contract

Heavy Engineering Thessoe Group has been awarded an export order, valued at the region of £4m. by Yugoslavski Naftovod.

E. German-U.K. trade

EAST GERMANY is continuing to slide in relative importance to the U.K. among its Comecon trading partners.



ymac exports

ymac totalling £1.75m. have won in Scandinavia by way of Newbury, with its CT hydraulic excavator.

Shipyard orders decline

WORLD ORDERS for merchant ships have fallen to their lowest level since June, 1968.

atch agreement

JAG, the largest grouping of Swiss companies manufacturing marketing watches and components, has concluded a major agreement on electronic quartz watches.

amprogetti deal

amprogetti has signed a £10m. project to design and supply a textile plant in Algeria.

BANQUE CANADIENNE NATIONALE - MONTREAL

he Board of Directors of the Banque Canadienne Nationale has announced that it has received authorization from the Banque France to open a branch office in London.

Lufthansa orders more Airbus

LUFTHANSA, the West German airline, has confirmed that it is increasing its order for the A-300 European Airbus, converting options on four aircraft into firm contracts.

Giant technology. From the people who made micro-electronic calculators and watches possible. TEXAS INSTRUMENTS LIMITED. Texas Instruments Ltd, European Consumer Division, Manton Lane, Bedford, Tel: Bedford (0234) 63181.

HOME NEWS

North Sea oil swap planned with group in Norway sector

BY RAY DAFTER, ENERGY CORRESPONDENT

TWO OFFSHORE oil groups may swap output from the British and Norwegian sectors of the North Sea in a unique deal aimed at reducing field development costs.

between 360m. and 380m. barrels of recoverable oil, whereas the North Sea has more than 2.2bn. barrels plus some 2.5 trillion cubic feet of gas.

Coal Board pensions fund in deal to help companies

BY NICHOLAS COLCHESTER

THE NATIONAL Coal Board Pension Fund, a company set up more than 11bn. and the Midland Bank are to cooperate in providing equity finance to medium-sized companies with market capitalisations of between 15m. and 20m.

Foundry in £2m. project

BY DAVID FREUD

AN INDEPENDENT committee to inquire into motorway service areas was established yesterday by the Government. It aims to report by next June.



Members of the committee face Government Ministers over the table. From left, Chief Superintendent L. R. Jones, West Mercia Constabulary; Miss Margaret Jones, Consumer Correspondent of the Daily Mirror; committee chairman Mr. Peter Prior, chairman of H. P. Bulmer; Mr. George Hill, chairman of Crest Hotels; Mr. Richard Davies, deputy finance director of British Aluminium Company; Mr. Hugh Marshall, a Transport and General Workers' Union lorry driver; Mr. William Rodgers, Transport Secretary; and Mr. Robert Maclean, Prices and Consumer Protection Under-Secretary.

Independent inquiry into motorway refreshments

BY DAVID FREUD

THE LEASES if it considers these last occasion he ate at a motorway service area, will head the committee.

Carlsberg to spend £7m. more on Northampton brewery

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

CARLSBERG, the subsidiary of United Breweries of Denmark, is to spend a further £7m. at its U.K. brewery in Northampton.

Economic policy 'limited'

By Peter Riddell, Economics Correspondent

THE SCOPE of what Government economic policy can achieve is more limited than either economists or the general public commonly supposed.

Hammersmith to receive £4m. in Trafalgar plan

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

HAMMERSMITH Council is to receive £4m. from the Trafalgar House group as the first step in plans to develop one of the biggest office buildings in West London for some years.

Renault to merge

BY LYNTON MCLAIN, INDUSTRIAL STAFF

RENAULT is to merge the truck and bus operations of its two commercial vehicle subsidiaries, Savim and Berliet, in Britain.

Britain told: Go metric on nuts and bolts

BY LYNTON MCLAIN, INDUSTRIAL STAFF

A CALL for legislation to force manufacturers to adopt metric industrial fasteners came yesterday from Mr. Alex Laker, chairman and chief executive of GKN Fasteners.

Potential of wasteland

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

MORE THAN 250,000 acres of "unsightly and depressing" wasteland lie unused in Britain's towns and cities, says a report published yesterday by the Civic Trust.

'Horrors' of Rent Act

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

THE GOVERNMENT should act immediately to stem the horrifying fall in the number of homes in the private rented sector, says the National Federation of Builders' and Plumbers' Merchants.

£12m. hospital faults to be investigated

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

AN INQUIRY is to be held into alleged shortcomings at Barley's new £12m. general hospital, due to be opened officially by Princess Alexandra this week.

Campaign launched to break a Post Office monopoly

BY JOHN LLOYD

A CAMPAIGN to break the Post Office monopoly in the supply of telecommunications equipment has been launched by Aircall.

Council tenants cut arrears

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

ARREARS of rent owed by Greater London Council tenants who may weekly have fallen by £53,896 in three months, when he reported to the housing management committee, but still amount to £2,949,896, equivalent to 2.85 per cent. of the annual rent roll.

'Red tape' delays improvements

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

URGENT action to simplify home improvement grants was called for yesterday by Mr. George Plucknett, chairman of the National Home Improvement Council.

For Christmas

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

CHRISTMAS stamps on an sale today. They are based on the Twelve Days of Christmas.

Years to perfect reactor

BY DAVID FISHLICK, SCIENCE EDITOR

BRITAIN'S nuclear industry needs to put in at least four in five years' work on the pressurised water reactor before it could be licensed for construction in the U.K., Mr. Ron Campbell, chief executive-designate of the proposed new British boiler-making group, told nuclear engineers in London yesterday.

Atlantic airlines' £1.4bn. loss

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

WHILE North Atlantic air travellers deserved the lowest possible fares, they should not expect fares to be below the cost of production, and in the long run any battle to provide cheaper rates would be against the consumers' interests.

'U.S. bribes' story in arms corruption trial

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

HERTS., denied being involved in corruption over the alleged pay-bribe Iranian Army officers, he said: "That is the effect of what I was told."

Tyne and Clyde in ships share-out

By David Freud, Industrial Staff

TYNESIDE AND Clydeside are earmarked for the lion's share of the huge £15m. shipbuilding order from Poland.

Mr. Michael Casey, chief executive of British Shipbuilders announced in Glasgow last night that he was proposing to allocate all seven of the 16,500-ton bulk carriers to the Swan Hunter yard on Tyne, and ten of the multi-purpose bulk carriers (of 4,500 tons) to Govan shipbuilders on the Clyde.

The value of the Swan Hunter order is about £50m, and Clydeside is valued at between £35m. and £40m.

Mr. Casey's announcement came after meetings with shipbuilders on Tyne and Clyde during which he asked assurances of full co-operation.

He asked for an answer Friday of this week on full operation in building and delivering the ships to a tight schedule.

The matter is now being sidestepped by the shipbuilders who are meeting the work and giving the their respective views.

Union pressure will now be brought to bear on the shipbuilders who have been baulking at the demand for a 10% increase in wages.

Of the seven orders to be built by the Swan Hunter yard, five will be built in Poland, Mr. Casey said. Out of 15 engines for 4,500-ton ships, eight will be built in Poland and seven in the North East of England.

A similar problem may not exist in Britain, said GKN, as British makers refused to import cheap foreign goods. Yet there was a need to reduce production costs in the 1980s, and the growing imports of Taiwan.

The machine, developed by George Harrow, chairman of Swansea Jig and Tool, is a 600-ton machine, built in 1960, which produces a minute, but market for nut-making machines, but according to Mr. Harrow, the highest production rate of the machine is 400 a minute.

The Welsh Development Agency is investing £250,000 in Swansea engineering company which will produce a high-speed nut-making machine. The Swansea Jig and Tool Company has negotiated an exclusive agreement with the Keen Manufacturing Corporation, of Dearborn, Michigan, for marketing the machine in North America and is already supplying equipment worth £1m. The machines will be made in the company's Pontardawe factory, where the workforce of 150 is expected to rise to 200 during the next few months.

Interest rates may rise again. By Michael Blandin. INTEREST RATES in the UK could start to move up again in response to the recent growth of money supply. Williams and Glyn's Bank latest review of interest trends.

However, the bank adds, increase seems unlikely to occur before early next year when such reaction may be enforced by the expected rise in loan demand.

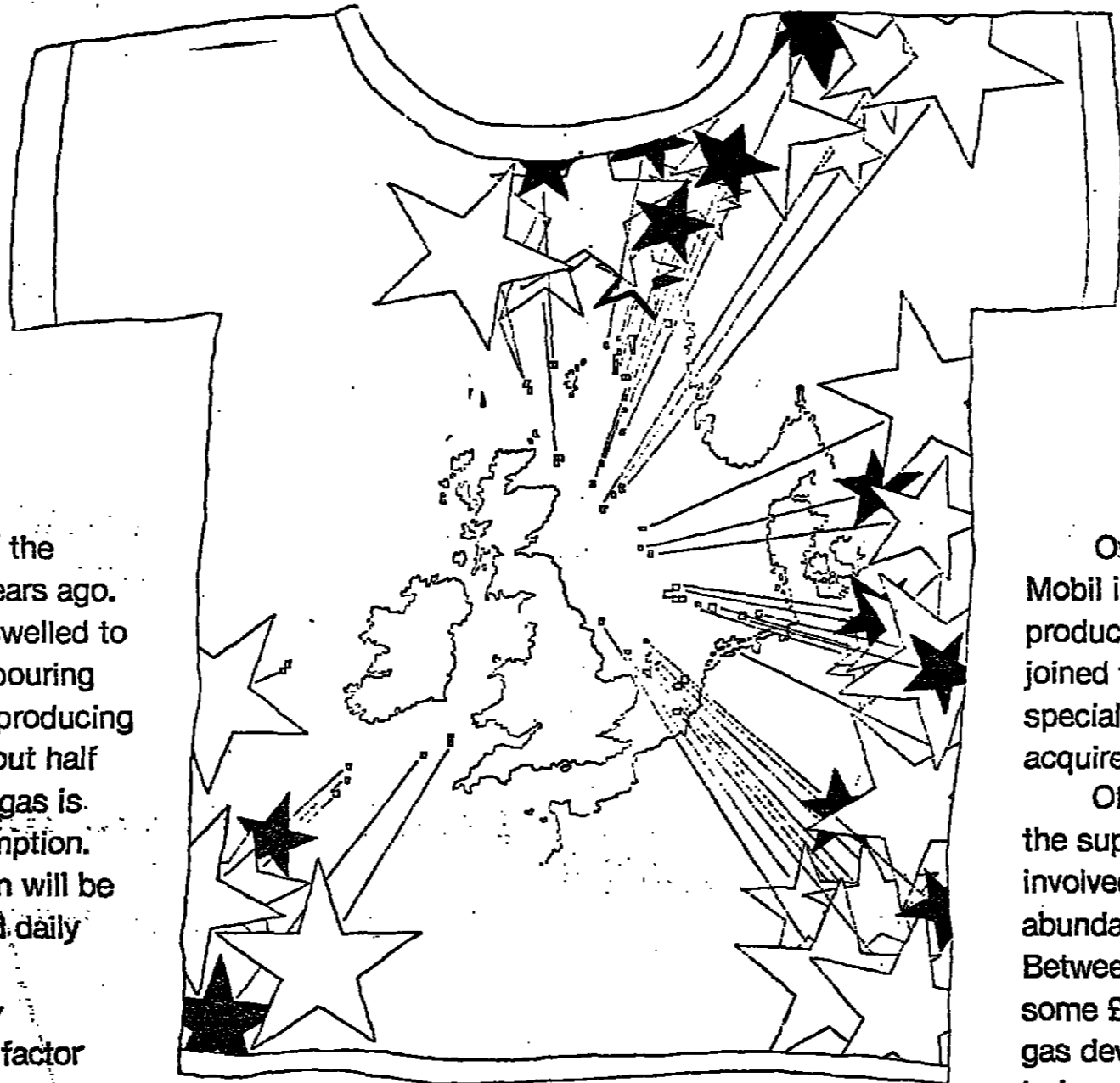
The bank's comments on the City markets reacted to a growth feeling that short interest rates could turn up this year. Williams and Glyn point out that the general upward trend in rates in 1977 appears to have a temporary halt.

Only in Germany and Sweden was the downward pressure still evident in the past 12 months. The Federal Reserve raised its discount rate in January, but the 12-month rate has risen in the 12 months.

Mr. Frenn recalled that in 1971-72 General Sodala, commander of the Iranian Signal Corps, told him about the arms deal. He said that the arms deal was a "bribe" and that he had been told that the deal was a "bribe".

The hearing was adjourned to-day.

"We could be Britain's most important rock group."



The first oil from the British sector of the North Sea arrived on British soil 2½ years ago. What began as a trickle has already swelled to a torrent, with some 800,000 barrels pouring into the U.K. each day from offshore producing fields. North Sea oil now provides about half the nation's requirements; North Sea gas is meeting 99 percent of current consumption.

By the end of this decade, Britain will be self-sufficient in oil, with an estimated daily production rate of 2 million barrels. Indeed, almost incredibly, the country is already on the way to becoming a factor in the world crude oil supply market.

Mobil is proud of its role in helping Britain achieve the remarkable transformation from an oil-importing to an oil-producing nation. Oil from our Beryl discovery is now providing nearly five per cent of the country's requirements. Other fields being evaluated by Mobil and its partners are expected to add to that contribution. And, of course, the search for new fields continues.

The impact of North Sea oil has profoundly affected every segment of the nation's economy. Thanks to North Sea oil, the value of British exports now exceeds the costs of goods purchased overseas, by a healthy margin. An estimated £5,000 million in taxes and royalties will flow into the Exchequer between 1977 and 1980. And by the middle of the next decade, North Sea operators will be paying some £3,500 million annually in taxes and royalties.

New industries have sprung up to provide the material and services needed to support

North Sea activities. "It is our policy to give 'full and fair opportunity' to British firms," says Mobil financial controller Bill Wende. "Over two-thirds of our material and contract service needs are provided from U.K. sources."

The services are many and varied: helicopters, which average 15 flights a week ferrying personnel and equipment between Aberdeen and the Beryl platform and offshore drilling rigs. Supply boats, to carry the estimated 3,600 tons of equipment needed for every North Sea well drilled—everything from diesel fuel to drill pipe to fresh vegetables. Caterers, to prepare and serve 900 meals a day for Beryl platform personnel.

Then, too, there are the workers themselves—who benefit directly from the jobs which North Sea oil has brought. Some 10,000 are currently employed by the industry in offshore exploration and producing activities. Several thousand more serve on pipelaying barges, crane barges and supply boats.

Over 90 per cent of those who work for Mobil in the North Sea are British. To most, oil producing was unfamiliar ground before they joined the company. Through experience and specialised training programmes, they have acquired valuable new skills.

Of course, the costs represented by all of the supplies, services, material and people involved in developing the North Sea's abundant oil and gas resources are enormous. Between 1965 and 1976 oil companies invested some £5,000 million in North Sea oil and gas developments (with perhaps as much again to be spent up to 1980), not counting the millions spent to drill unsuccessful exploration wells.

These costs, however, together with the high risks involved, should be justified by the promise the North Sea holds for making Britain self-sufficient in oil. By year's end, eight separate fields should be producing almost 1 million barrels of oil a day. These fields, together with a similar number likely to be developed, give promise of an additional 1 million daily barrels by 1980.

Long before the world's first well was drilled, American Indians used the black, sticky stuff that seeped out of the ground, for medicinal purposes. They called it 'rock oil.' Today, geologists are frequently referred to as 'rock hounds.' And our success in finding and producing oil—which we've described during the last seven weeks—depends on the presence of various rock types and formations.

So we don't think it inappropriate to describe ourselves as a 'rock group'—one which is aiming for the top of the charts!

Mobil

No. 7 in a series on North Sea operations.
For the complete set, write to: Manager, Public Affairs, Mobil North Sea Limited,
Mobil Court, 3 Clements Inn, London WC2A 2EB

PARLIAMENT and POLITICS

MPs THROW OUT SCOTLAND BILL CLAUSE

Tory fears on U.K. unity upheld by vote, Pym claims

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT last night took a bad tumble over its proposals for Scottish devolution when, by a majority of 15, the Commons threw out the first clause in the Scotland Bill.

This is the clause which puts on record the Government's firm view that the legislation will have no effect on the unity of the United Kingdom or the supreme authority of Parliament.

MPs, he said, had delivered an overwhelming verdict and the House had a right to know where it stood. The Government had always maintained that the clause was a sensible part of the legislation and that it meant the Bill would not affect the unity of the U.K.

"We have said that this is not true," Mr. Pym declared. "We have been upheld in that view by the vote tonight."

The Liberal leader, Mr. David Steel, said that there should not be these "artificial hysterics" every time a clause in the Bill was defeated. It had been made quite clear that the clause made no statutory difference but the Liberals had felt the Bill was better off without it.

Earlier, Mr. John Smith, Minister of State in charge of the legislation, had described it as a declaratory clause which, by implication, excluded federalism and separatism. The concept was that the Government was not devolving sovereignty but was devolving powers.

The debate had started quietly enough with the Tories putting forward an amendment to write in a guarantee that the Bill could not affect sovereignty or unity. This was rejected by a majority of 28 (206-178).

Then came the sudden shock for the Government when a motion that the clause itself should be part of the Bill was rejected by a majority of 15 (199-184).

Callaghan lectures on simple equations

BY PHILIP RAWSTORNE

MR. JAMES CALLAGHAN'S financial restraint afforded little political percentage to the Conservatives in the Commons yesterday.

Mrs. Margaret Thatcher, fretting with the firmness under the 10 per cent guideline, demanded to know whether it was a maximum figure.

Like Mr. Thatcher, the Prime Minister lectured the Tory leader on the simple equations of financial — and political — success.

Ten per cent was the increase in national earnings that would lead to the Government being able to sustain single figure inflation during the greater part of 1978, he said.

TO-MORROW the inhabitants of Bournemouth East will briefly stir themselves from their cosy winter hibernation and send a new Conservative to the House of Commons.

Three points of interest then — but the visitor has to strain to notice that anything is afoot at all. The town goes gently on about its unexciting business.

It is this exercise in collective inertia which will be poked and prodded by the pundits from which they will reach their weighty conclusions about tactical voting and the like, and point the morals for Messrs. Callaghan and Steel.

But the Government had given the equivalent of a 6.5 per cent increase in gross pay in addition through tax cuts this year, he added.



MR. DAVID ATKINSON
A vigorous candidate.

old Essex county councillor. His track record makes him an ideal portrait of the typical "can-do" Tory MP.

A small businessman who set up his own printing and marketing company, well experienced after nine election campaigns in eight years and a stint as VC chairman in 1970-71.

Mr. Atkinson appears unnumbered by either self-doubt or ideology. "I'm a realistic Conservative — and Earth has fewer more pragmatic breeds than that."

Rupert Cornwell finds only one problem for the Conservative campaign in the Bournemouth East by-election Enticing out the Tory vote

ounding-up the garden path in Labour's vote is collapsing and that a 25 per cent share of the poll (which the Liberals managed in October 1974) is a realistic goal.

There then was a couple up in arms over rates and taxation, and wondering whether to vote Conservative or National Front.

A lecturer, he has lived in the town for 29 years and has a profound grasp of both national and local issues.

Mr. Matthew insists that Labour's vote is collapsing and that a 25 per cent share of the poll (which the Liberals managed in October 1974) is a realistic goal.

Suppuri, however, has come from two sources. The first is Mr. Dick Lock, Labour's candidate in 1974, who is urging the 5,000 who voted for him then to back Mr. Matthew now.

The trouble is that Tribune views are not well tailored for the halliway. Labour's message to the town, and Mr. Lock's own, is "quite amateur" at some of his speeches.

Mackintosh calls for list system of PR voting

When the House debated the possibility of introducing proportional representation for elections to the proposed Scottish Assembly, Mr. John Mackintosh (Lab., Berwick and East Lothian) advocated the use of the list system.

Under the traditional first-past-the-post system, a party with 35 or 36 per cent of the vote would get about 37 per cent of the seats and would then be able to govern Scotland for four years.

Parties expected to go ahead with Ulster assembly talks

BY GILES MERRITT

THE FOUR major Northern Ireland political parties involved in negotiations with the British Government on administrative devolution are now expected to press ahead with detailed talks that could lead to an agreement on a 56-seat Ulster Assembly in the New Year.

Following talks that Northern Ireland Secretary, Mr. Roy Mason, has had this week with the leader-ships of the main Catholic-Social Democratic and Labour Party, the Rev. Ian Paisley's Democratic Unionist Party and the non-sectarian Alliance Party, it appears that all three will shortly confirm that they will take part in detailed discussions on administrative devolution.

The details of this quasi-devolution have yet to be hammered out. The first step will be talks between officials and party politicians, followed by inter-party talks early next year.

Peer warns on doorstep selling directive

A COMMON MARKET draft directive aimed at protecting householders from high-pressure salesmen was a step towards banning all forms of doorstep selling, Lord Raglan (Lab.) warned yesterday.

Lord Raglan, chairman of the committee which scrutinises EEC legislation, told the Lords: "It should be strenuously resisted. We would deplore the banning of doorstep selling in view of the history and popularity of such selling in this country."

Peer warns on doorstep selling directive

Government spokesman, Lord Oram, promised peers that Ministers had no intention of allowing what had proved to be a valuable service to consumers to be curtailed.

"We must be on our guard against measures which purport to protect the consumer but in fact merely restrict competition," he said.

Peer warns on doorstep selling directive

Lord Raglan said that the proposed directive encompassed credit transactions, insurance sales, the buying of perishable foods, mobile shops, professional transactions, and mail order trading by agents, all of which the committee thought should be exempted.

He said: "We question whether this rather special area of commercial life is a proper one for Community regulation."

Treasury claims happy working relations with Foreign Office

BY REGINALD DALE

A GLOWING picture of co-operation between Whitehall's two traditional arch-enemies — the Treasury and the Foreign Office — was presented to Members of the Civil Service yesterday.

The House of Commons Defence and External Affairs sub-committee, inquiring into the Think Tank's controversial report on Britain's overseas representation, was told that the Treasury had few complaints about the Foreign Office's economic reporting from abroad.

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Skateboards profit protest

PROFIT MARGINS on the sale of skate boards were among the highest "rip-offs" in sporting history, Mr. Bruce George, Labour MP for Walsall South, claimed yesterday.

Airport levy in April

THE 50p per passenger airport levy to pay for security precautions, announced in the Queen's Speech opening Parliament, is to operate from April 1.

Government to send councils breakdown of rates support

BY DAVID CHURCHILL

THE DEPARTMENT of the Environment is to notify local authorities in England and Wales during the next few weeks of the exact amount of Government rates support that can be expected under the new rate support grant announced last week.

Disability cash by post plea

DISABLED PEOPLE often have to spend half or more of their mobility allowances in travelling to and from Post Offices to collect the payments, Mr. Alexander Fiechter (C., Edinburgh N.) said in the Commons yesterday.

Tory MPs tried to deter European powers assurance

BY IVOR OWEN, PARLIAMENTARY STAFF

IN THE COURSE of recent visits to Salisbury, some Tory MPs had discovered Mr. Ian Smith from reaching a sensible agreement on the future of Rhodesia, the Prime Minister allowed in the Commons yesterday.

BRITAIN'S determination to support any move to give the European Assembly greater powers was reaffirmed by the Prime Minister in the Commons yesterday.

Petrol duty to count in litres

BY ROY DOLLER, Energy Correspondent

EXCISE DUTY on petrol and other fuels is to be charged in litres from January 1. The Customs and Excise Department said that motorists would still be able to buy petrol by the gallon.

In question time exchanges, Mr. Callaghan pointed out that legislation would be required to give the assembly a more authoritative role. He insisted that the Government had no intention of introducing such legislation.

Mr. Douglas Jay (Lab., Battersea N.) a leading anti-backbencher, pressed for the early introduction of substantive proposals to achieve the reforms in the EEC outlined by the Prime Minister in his letter to the Labour Party's national executive in October.

ABC Milloc playe UNEM SEASONAL DIFFERENCES Wingers reform

LABOUR NEWS Bullock White Paper delayed to New Year

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE GOVERNMENT'S planned White Paper on industrial democracy is now almost certain not to appear before Christmas and may not be published until early in the new year.

The White Paper is expected to be published in the next few days, but it is likely to be delayed until after Christmas. The White Paper's contents will become part of the Labour Party's next general election manifesto, although it is not yet clear whether it will be published before the election to underline the Government's continuing interest in the subject.

Resent

The TUC will complain to ministers if the White Paper does not appear fairly quickly after Christmas. Union leaders are especially likely to resent a consultative document on profit-sharing—now being prepared by the Treasury—overriding industrial democracy in the Parliamentary timetable.

The industrial democracy White Paper, being prepared by a Ministerial Committee under

Grunwick's director bodyguards

MIR. GEORGE WARD, of Grunwick, said yesterday that two directors acted as bodyguards when he told an angry 6 foot 2 inch employee to come to his office.

Mr. Ward told a London industrial tribunal that 34-year-old Mr. Rasheed Mohamed had worked himself into a passion when police arrested four Asian pickets at the strike-torn film processing factory, shouting aggressively: "The arrests are bloody racist and bloody unfair."

Mr. Ward denied any attempt to humiliate Mr. Mohamed by detouring him from an accounts assistant to a junior clerk.

Mr. Mohamed, who worked for Grunwick for 21 years and crossed picket lines to be in the evenings for the besieged company, constitutive dismission after he angered Mr. Ward by announcing his stand against the police.

The hearing was adjourned until today.

Four Grunwick hunger strikers—and eight members of their committee—were suspended yesterday without strike pay for a month by their union. The action was taken because the members refused to call off the hunger strike outside the TUC's Congress House.



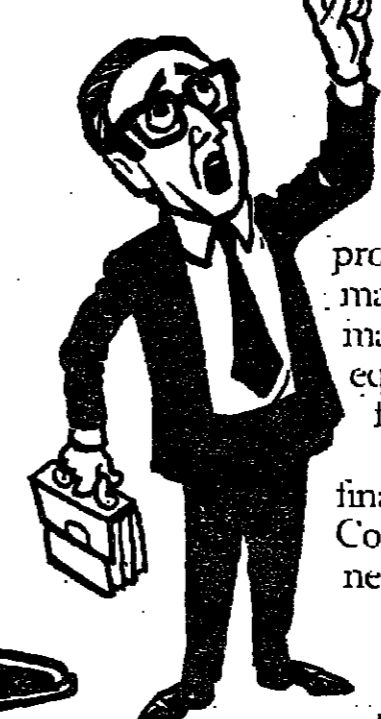
Can they hear you when you need financial help?

The fact is, many of Britain's larger financial institutions don't hear or don't listen to smaller companies' requests for assistance.

Despite talk in the City and the Wilson Committee about this need, many of the financial institutions are only paying lip service.

There appears to be a vicious circle in operation. You don't get financial help until you get big; but you don't get big without financial help.

Since 1912, Commercial Credit have cared very much about this problem. Indeed, our care and insight into the problems of smaller companies have taken our assets to over £2 billion, whilst helping some very well-known companies along the way.



Today we have 26 branches in Britain to provide smaller and medium-sized businesses with the financial support they need.

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Vauxhall recalls laid-off workforce

BY NICK GARNETT AND ARTHUR SMITH

Vauxhall Motors yesterday started recalling its 21,000 hourly-paid workforce laid off as a result of a pay dispute which lasted more than a month.

The decision was made yesterday after 800 craftsmen at the company's Ellesmere Port plant voted to return to work on the basis of a pay offer made two weeks ago.

The strike, which originally involved all the company's skilled workers, caused lost production of 27,000 cars, vans and trucks worth £75m. at show room prices.

Efforts were continuing last night to seek a settlement to the three week strike at Leyland Cars Liverpool plant.

The 1,500 strikers, who rejected a peace formula on Monday, have been joined in their action by 500 maintenance employees. The dispute was precipitated by management efforts to change working levels to improve productivity.

Lay-offs at Liverpool and the dependent Triumph plant at Canley, Coventry, climbed last night to more than 4,000. Production of the TR7 and Dolomite models is at a standstill. Last output is rapidly approaching £20m. at show room prices.

No TR7s, a successful export model, have been produced for six weeks. For three weeks prior to the present dispute, assembly was halted because of a strike at a component supplier's factory.

British Leyland Special Products group is examining self-funding productivity schemes for its 14,000 employees.

The schemes will vary considerably between companies to take into account the different markets in which they operate.

'Substantial' rises sought by airport ground staff

BY OUR LABOUR STAFF

A CLAIM for "substantial" pay rises of up to 13 per cent was submitted yesterday for 3,000 local authority airport ground staff.

The claim, which also includes improvements in holidays, sick pay and shift allowances, was tabled by the Transport and General Workers' Union and covers firemen, cleaners and general airport hands.

The union said basic pay was about £40 a week and many of the employees had to work excessive overtime to earn a reasonable wage.

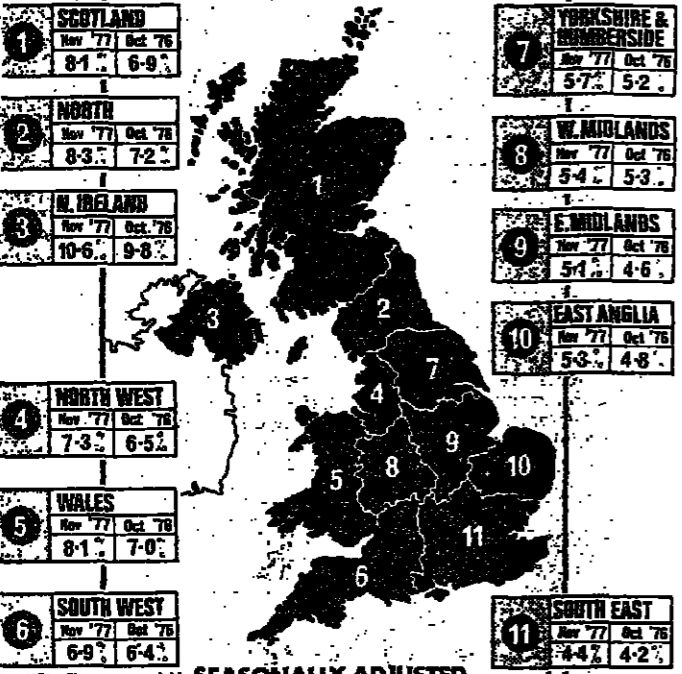
Proposals from the licensed non-residential wages council for new minimum rates for 350,000 pub and club staff are due to be sent out within the next two weeks.

The proposals, which involve increases of up to 13 per cent, have been prepared in spite of objections from employers who were outvoted by union and independent representatives.

Employers in licensed residential establishments and licensee restaurants have already objected to new minimum rates set for 400,000 hotel and restaurant staff because they say they will be under pressure to maintain differentials and if they do the rise in total earnings would go above the 10 per cent pay ceiling.

Computer engineers, who are members of the National Union of Bank Employees, are due to start a work-to-rule and policy of non-co-operation next month at Midland Bank computer centre, in pursuit of a time allowance.

UNEMPLOYMENT



REGIONAL DIFFERENCES in unemployment continued to widen last month. The number of adults out of work fell in the South of England and the Midlands. There were rises in North-West and North England, Wales, Scotland and Northern Ireland. In the six months since unemployment began rising again after the winter lull, the trend has been even more marked. The number of adults out of work in the U.K. as a whole rose by nearly 9 per cent in this period (on a seasonally adjusted basis), but by 13.2 per cent in the North and 14 per cent in Wales, compared with a rise of 6.1 per cent in South-East England.

Left-wingers block more CPSA reforms

LEFT-WINGERS in the Civil Service Association, although it has been engaged in the Civil Service, continued to wreak havoc with a rule book put before a special conference this week by the union's Right-wing executive. By last night more than 1,000 delegates representing about 40 per cent of the country's civil servants, had blocked all the important reforms the union leaders had been seeking.

A dozen of the proposed new rules have been rejected together by votes, and two others have fallen as a result, in what has proved to be a bitter game between big unions and the platform, unions of preparatory work by sub-committee and solicitors has been thrown into the waste-paper basket.

All the rule changes have failed a two-thirds majority, but some cases the executive have been able to muster even a simple majority in a succession of card votes.

Last May, there was a significant switch from Left-wing to moderate control; but this might last long in view of the suspended attack by militants at this

Incentive pay move for electricians

BY OUR LABOUR EDITOR

INCENTIVE PAYMENTS would be added to wages of electrical contractors' employees under a proposed deal now being vetted by the Department of Employment.

The idea is both to raise substantially the earnings of the 50,000 electricians who have watched their tightly controlled rates exceeded by other building trades, especially on large sites, and to provide a hedge against future income policies.

Both the Electrical Contractors' Association and the Electrical and Plumbing Trades Union have tried for two years to persuade the Government to allow a bonus scheme originally agreed in 1975.

The present rate for an approved electrician is 123p an hour plus pay policy supplements, less than 160 a week in minimum earnings for a 40-hour week. Pay is higher in London.

In Blackpool, at the bi-annual EPTU conference, Mr. Frank Chapple, the union secretary, said last night a strike in the power stations would be "like hitting in Ancient Britain. We would all be stumbling about and everyone suffering equally."

If supervisors then carried on running the stations, that would invite trouble. "It would make Grunwick look like a fairies' tea party."

NEWS ANALYSIS—THE MIRROR DISPUTE

Pay pitfalls for Fleet Street

BY ALAN PIKE, LABOUR CORRESPONDENT

UNSETTLING effects of newspaper journalists have, in recent years, been conducted at individual office level. This is what the case this year. In spite of an unsuccessful attempt by the Newspaper Publishers' Association to persuade the National Union of Journalists to settle the Phase Two claim, the attitude of the NUJ executive was to "note" the TUC's guidelines—in effect an indication to its Fleet Street chapels that they must accept Phase Two but seek the best arrangements possible on peripheral aspects of their house agreements.

Some offices have concluded agreements which incorporate Phase Two settlements and the main problem has arisen in Mirror Group Newspapers, where the journalists' negotiations coincide with plans by the company to introduce new technology.

Mirror Group publications are scheduled to transfer to new technology between next month and April next year. Journalists' element must be restricted to 14 per week Phase Two claim, across the board for co-operating with new arrangements.

On top of this NUJ chapels negotiations for national on the group's publications submitted individual claims for new allowances and other improvements but there is general feeling that the £3,000 claim would be accepted as an overall settlement.

Against this, the company has offered Daily Mirror journalists in London a package worth £1,533. When they rejected the offer—about 200 Manchester staff of the Mirror Group have accepted a broadly similar one—they were dismissed and this prevented publication this week.

The company is insisting that the journalists must not only accept the offer but must agree to end disruptive action which has hindered production in recent weeks.

With average earnings on the Daily Mirror about £7,150 and on the Sunday Mirror and Sunday People £7,500-£7,600, the offer £1,533. When they rejected the offer, says the management, they would be bringing down editorial earnings on a par with the £9,000 a year paid to members in the company's company's posing room which has been organised in readiness for the new technology.

The NATIONAL Union of Journalists should be ready to levy the whole membership and mortgage its headquarters if necessary to win the closed-shop dispute at North of England Newspapers, Darlington. Mr. Denis MacShane, vice-president, said last night.

NUJ members at Darlington, who declared a post-entry closed shop last year, have been on strike for six months over the employment of a sub-editor who refuses to join the union. Mr. Dorset

Levy call over NUJ dispute

BY OUR LABOUR CORRESPONDENT

THE NATIONAL Union of Journalists should be ready to levy the whole membership and mortgage its headquarters if necessary to win the closed-shop dispute at North of England Newspapers, Darlington. Mr. Denis MacShane, vice-president, said last night.

NUJ members at Darlington, who declared a post-entry closed shop last year, have been on strike for six months over the employment of a sub-editor who refuses to join the union. Mr. Dorset

Read this before your Financial Director.

It's about car rental. Or, rather, it's about money. Hence your Financial Director's interest. And it would be much better to talk to him about it, before he talks to you about it.

What do you say? Something like this:

"Sir," (or Mr Smithers, or Ted, or You Old Skinflint—depends on the terms you're on), "we rent cars".




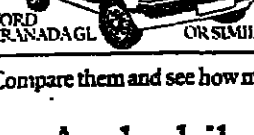
"And I've discovered a way to boost our profits by renting cars for far less money".

(Carry on. He's hooked).

"There's a British company called Swan National. They have 70 locations throughout the country, each operating a one-way rental system at no extra charge. Their fleet of long and short term rental cars is possibly the largest in the land. They have InterRent car rental link-ups in 33 countries. Point is, they charge less. Far less. Look".

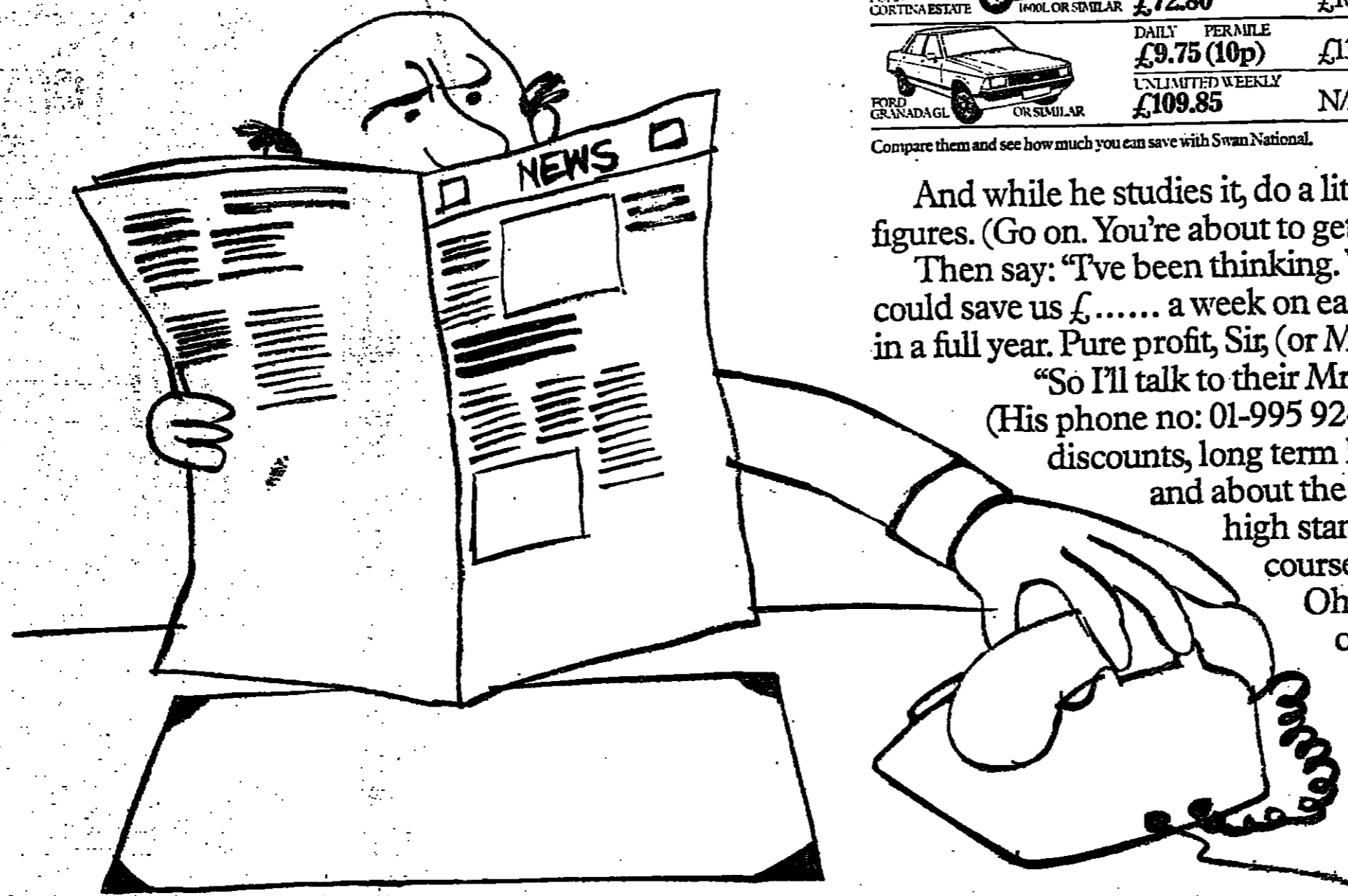
At this point, put this table under his nose:

Taken from tariffs: Swan National 1st June 1977, Avis 1st July 1977, Godfrey Davis 4th July 1977, Hertz October 1977.

TYPE OF CAR	SWAN NATIONAL	AVIS	GODFREY DAVIS	HERTZ
 FORD ESCORT 1100L OR SIMILAR	DAILY PER MILE £4.25 (5p) UNLIMITED WEEKLY £49.45	£4.95 (5½p)	£4.95 (5½p)	(13 GL model) £4.95 (6p)
 FORD CORTINA 1600L OR SIMILAR	DAILY PER MILE £5.85 (6p) UNLIMITED WEEKLY £63.05	£6.25 (6½p)	£6.25 (6½p)	£7.00 (8p)
 FORD CORTINA ESTATE 1600L OR SIMILAR	DAILY PER MILE £6.75 (7p) UNLIMITED WEEKLY £72.80	£8.50 (8½p)	£8.25 (8½p)	(GL model) £11.00 (11p)
 FORD GRANADA GL OR SIMILAR	DAILY PER MILE £9.75 (10p) UNLIMITED WEEKLY £109.85	£13.00 (12½p)	£12.50 (13p)	(Ghia model) £19.00 (19p)
		N/A	£141.75	Not shown

Compare them and see how much you can save with Swan National.

Tell him before he tells you!



And while he studies it, do a little work to fill in the following figures. (Go on. You're about to get a rise, aren't you?)

Then say: "I've been thinking. We rent..... cars. Swan National could save us £..... a week on each. That's a total saving of £..... in a full year. Pure profit, Sir, (or Mr Smithers, etc.)"

"So I'll talk to their Mr Grimshaw about it, shall I?" (His phone no: 01-995 9242). "I'll ask him about volume discounts, long term leasing, vans, credit arrangements, and about the range of cars they offer and the high standards they work to. Yes, right, of course, I'll do it this morning."

Oh... Oh, thank you, that's very nice of you, Sir (or Ted, or whatever)".

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Albania's uncomfortable dependence upon China

BY GEOFFREY STERN, Recently in Albania

THE FLAGCARD outside my hotel in the Albanian resort of Durres proclaimed "long live Chinese-Albanian friendship." It looked as fresh as it did on my last visit, five years ago, and was one of many signs that the crisis in Albanian-Chinese relations may not be as serious as reports earlier this year suggested. Equally, it is clear that things are not going as well as before.

In most large towns the Chinese presence is still inescapable. Moreover, although fewer in number, the Chinese appear to be treated with a deference bordering on the obsequious.

When China's Deputy Foreign Trade Minister and his retinue stopped off at Pogradec on Lake Ohrid, the hotel staff lined up one by one to bow before their distinguished guests, while a couple of Albanians polished the diplomatic Volvo outside.



Enver Hoxha, Albania's leader.



Tirana's debt to China is enormous. Ever since the two countries cemented their following Tirana's diplomatic break with Moscow in 1961, the Chinese have been underwriting Albania's five-year plans accounting until recently for nearly two-thirds of Tirana's external output ranks seventh in the international table of broadcasts in kilowatt hours, which could not have been achieved without Chinese help in boosting transmissions. Although the Albanians admit to recent reductions of Peking's assistance, particularly in relation to the current (1974-5) five-year plan, the dates on the relevant packages in the textile

schools and other plants reveal that the Chinese continue to furnish the propaganda industry by means of which the Stalinist regime of 69-year-old Enver Hoxha attempts to secure good will at home and abroad. Radio many household items of Chinese origin, from tea to radio sets, clocks, toys, pencils, pens and

and Yugoslavs who are, by implication, the major targets. Their burden is that genuine Marxism-Leninism does not make far-reaching deals with the U.S. EEC—which is what the Chinese have been doing in recent years. Meanwhile in his report submitted to the seventh Party Congress last November, Mr. Hoxha dismissed China's new strong man, Vice Premier Teng Hsiao-ping, as a "counter-revolutionary" and condemned the concept of a "third world," to which the Chinese subscribe, as a "revisionist" heresy.

upon these official misgivings, though it is an indication of the delicacy of the situation that in public they depict Sino-Albanian relations in a rosier hue. One official who had proclaimed "proletarian internationalism, Marxist-Leninism and mutual respect" as the basis of his country's ties with Peking admitted privately that he felt that in their dealings with foreign powers the Chinese had gone far beyond what was necessary. "Another confessed disquiet at the fall of the Marxist-Leninists, whom the Chinese call the Gang of Four."

What emerges is a paradox, with the Albanians fettering the emissaries of a Government whose devotion to principle they find increasingly suspect. It is best explained by the fact that Communist-ruled States always draw a distinction between Party relations, which in this case are bad, and State relations, which are better.

The Albanians are taking no chances: though they still need Chinese help to overcome their poverty and backwardness more than ever they emphasize the merits of "self reliance" and what they term "beating the blockade."

Albania produces many of the spare parts it requires to service its textile and other industries and has recently become an exporter of the world's leading product of chrome (which was one of the attractions for the Chinese), and is self-sufficient in oil, and is generously en-

dowed with gas, coal, copper, nickel-iron, cobalt and other minerals. Hydro-electric plants have brought electricity to the whole country, and there is a surplus for export to Yugoslavia. Some key Peking-aided projects, such as the vast metallurgical complex at Elbasan and the petro-chemicals plant at Ballsh, are well behind schedule, but the Chinese have insured Albania's capacity to extract and process most of its raw materials. Transport no longer presents the kinds of problems known a few years ago when there were scarcely any asphalted roads and only a few miles of railway track. Albania claims to be self-sufficient in grain, and after a largely successful programme of land reclamation and irrigation the country can probably produce enough for its needs.

The big problem is defence. If the Chinese refused to supply the requisite aid, there would presumably be others in both East and West who, for their own purposes, would be ready to satisfy Albanian needs.

If there is a threat to the Albanian system, it is more likely to come from within than from outside. The latest purge of Government ministers, leading party officials and civil servants suggests there are serious divisions in the hierarchy. With no obvious successor to the ailing Party chief it is by no means certain that the peculiar combination of Stalinism, Maoism and traditional nationalism which constitutes the system today will survive its creator.

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Entertainment Guide

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THEATRES

APOLLO THEATRE, 01-535 7811. **LONDON'S BEST NIGHT OUT**. Tonight 7.30, 9.15, 11.00. The Music of the Night. Sat. 8.00, 10.00, 12.30. The Music of the Night. Sun. 8.00, 10.00, 12.30. The Music of the Night. Tickets: 2.50, 3.50, 5.00, 7.50, 10.00, 12.50, 15.00, 20.00, 25.00, 30.00, 35.00, 40.00, 45.00, 50.00, 55.00, 60.00, 65.00, 70.00, 75.00, 80.00, 85.00, 90.00, 95.00, 100.00.

ART GALLERY

FOR GALLERY 3-5, Corn St. Exhibitions: 11.00-5.00. Tickets: 1.00, 2.00, 3.00, 4.00, 5.00.

مكرامن الاصل

The Management Page

EDITED BY CHRISTOPHER LORENZ

JAD HAULIERS are not on a whole, a particularly contentious one, but it was all the more surprising to see the industry which seems on the verge of a general chat to cent news that Britain has granted a three year breathing space for the phased introduction of the EEC eight-hour driving day.

Like a convict sentenced to a long haul, hauliers and bus operators now have three years to contemplate what most of them have previously been tucked as ruinous changes which they claim would penalise them to the extent of £530m a year. Perhaps the elation guides will hope that something will turn up inside those years to resolve their questions or maybe the feeling is traditional delight at overcoming French resistance. France which had previously vetoed Britain's request for a period of grace.



Hauliers contemplate their brief reprieve

At any rate, the UK delegation returned from its mission to Luxembourg to what one report described as a "modified rapture" and this from an industry which seems on the verge of a general chat to cent news that Britain has granted a three year breathing space for the phased introduction of the EEC eight-hour driving day.

But not all of Mr. Rodgers' package was welcome to the industry. Of particular alarm is the fact that from January next year, all heavy lorries on journeys of more than 450 kilometres will either have to use two drivers or carry a tachograph—the dreaded measuring device which drivers' unions call "the spy in the cab" and over which Mr. Rodgers has led the U.K. into flagrant breach of EEC law by refusing to force its use in domestic transport. The 450 kilometres clause of

European Mr. Rodgers find ing the efficiency of the freight industry. The most contentious Can we expect more successes from the "more European than thou" approach which was said to have been a persuasive component in his recent success and which contrasts so sharply, say, with the style on agriculture of Mr. John Silkin?

Mr. Rodgers' dream is to arrive in Brussels one day and find fellow ministers talking about transport philosophy and its effect on the consumer rather than regulation 543/69 or 1463/70. Attempts to strike a more general policy-making tone have so far fallen on deaf ears and the immediate transport horizon in Brussels is cluttered with business like the common driving licence, quotas for lorry transits, common railway accounting and lorry weights.

Even so, these issues are an improvement on the subject of hours and tachographs because at least some of them involve positive decisions about improv-

Ian Hargreaves

Nicholas Leslie asks a former Leyland chief about his new interest in small companies

MANAGEMENT experience within a big company can provide the most vital ingredient in the development of a small business beyond its initial stages. So says John Barber, who until just over two years ago occupied the managing director's hot seat at British Leyland.

"Big companies, he feels, provide the opportunity for spreading management expertise which small ones cannot," he says. "There is an infinite number of things to think about in management and until you have been in a big company you don't fully realise what they all are."

Mr. Barber's beliefs are now being put to the test. For a company of which he is chairman, Pullmaflex International, has recently purchased two very different concerns, one of which main board director of Ford was recruited to rescue being for several years. Among the other will present appointments he holds involve injecting cash into a small, technologically successful major force in the construction industry which competes with American and Japanese giants.

Impressive

The two companies are not quite what one would immediately associate with Mr. Barber. Before Leyland he was briefly finance director of Associated Electrical Industries, now part of GEC, and, prior to that, a modest concerns, one of which main board director of Ford was recruited to rescue being for several years. Among the other will present appointments he holds involve injecting cash into a small, technologically successful major force in the construction industry which competes with American and Japanese giants.

Learning from the big battalions

It that way. But to follow his logic one needs to go back to last December when he joined Pullmaflex. This is a company which carved out a very useful niche in the motor vehicle industry by making a patented suspension system for sealing (basically, that means a spring inner frame).

The main shareholder of Pullmaflex died three years ago. The company carried on, but then a controlling stake was subsequently bought by Mr. Simon (Jimmy) Lyons, who recognised that it needed new purpose and direction and sought the aid of John Barber, who took up the position of part-time non-executive chairman.

While this may sound like providing jobs for old friends, Barber is emphatic that it is not. While he knew Steiner and Marre they had never been close colleagues, and Keith Taylor was unknown to him. They had to fit his conception of what was needed for Pullmaflex (of which Taylor became managing director and Steiner the financial director) and any of its subsequent acquisitions.

"I have been conscious that in large companies a lot of people become very good in the backroom, but end up being no good at implementation," says Barber. In general, he feels that some people are good operators while others are good planners. But what he needed for his small company was a mixture of both. So "I hired people who are good analytically, but who are also willing and able to roll up their sleeves." The three new recruits fit the bill—a point that he underlines by describing how one of them even did a stint at window cleaning to hurry things along at the Hacker factory.

At the same time as new management was being recruited, the Pullmaflex business was being expanded, particularly overseas. It now manufactures in Sweden for Volvo and others, in Belgium for Volkswagen, Ford of Germany and Renault

to find potential purchasers Barber "put out feelers" in several directions—merchant banks, accountants, newspapers and stockbrokers. In the event Hacker emerged via a firm of accountants and Merrycheff through a stockbroking firm. Hacker has provided Barber with the most immediate need

Some of them slow-moving, so that too expensive stocks lay on the shelves for too long. He avoids direct criticism of the previous Hacker management, but then asserts in a general way that in a big company "you realise how much more difficult and complex management becomes with a bigger product range. It affects design, buying and stock levels, production schedules, quality control, the level of financing required and other related factors."

Such arguments apply equally to a small company with a big product range, he maintains, with possibly greater effect since there is unlikely to be the degree and depth of management able to cope with such a situation.

By proxy

While John Barber is experimenting with his ideas on how to run small companies, the extent to which big company experience can be an essential ingredient to their success is being tested largely by proxy so far as he is concerned. This is because he does not get embroiled in day-to-day management and for the most part remains somewhat detached, fulfilling the role of the strategist.

In this role, he does not limit his sights to small companies and in fact has his eye on something bigger. The prices paid for Merrycheff and Hacker have not been disclosed, but clearly run into thousands of pounds. The next one will be much bigger and may involve several million pounds, says Barber.



John Barber

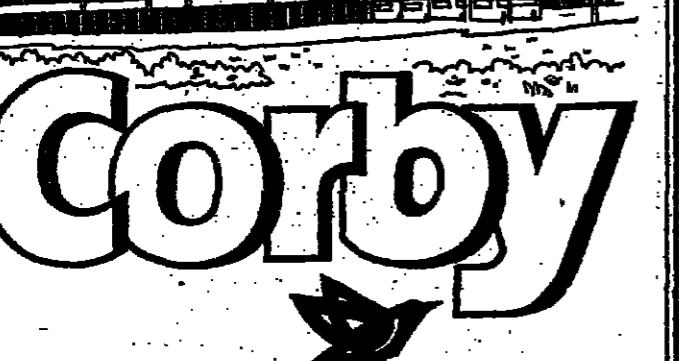
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BUSINESS PROBLEM BY OUR LEGAL STAFF

Taxing of legal costs

Referring to the taxing of legal costs. I understand that if the Registrar reduces the cost claimed by more than one-sixth then the costs of taxing the bill of costs falls on the relieved party. Is this correct?

A distinction should be drawn between taxing costs as between parties to an action, and taxing costs as between a solicitor and his own client. The one-sixth rule (now one-fifth) applies only to the latter, that is, as a means of determining the incidence of the costs where the only dispute between the parties is as to the extent of a bill of costs. We enter from your letter that you have in mind the taxing of costs as between parties to litigation. In that event the costs of taxation normally fall on the party ordered to pay costs, but the taxing master or registrar has a discretion to award the costs of an objection according to the outcome of that objection.

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Wednesday November 23 1977

Unemployment trends

THE FACT that the total number of people unemployed in this country fell again between mid-October and mid-November...

renewed fall, partly artificial, in October; and now, in the latest returns, almost no change at all...

That employers should have used the beginning of the summer holiday to reduce their labour force...

To gauge the underlying trend of unemployment, however, one must set aside such special factors as school leavers...

Slower rise Yesterday's figures show a further but much slighter drop in the underlying level of unemployment...

Subsidies and trade

BRITISH GOVERNMENTS are not the only ones to have resorted increasingly in recent years to industrial subsidies.

other attempt is now being made in the Tokyo round of negotiations where it is one of the most contentious issues on the agenda.

Protectionist In the developing world, financial aids are often provided for openly protectionist reasons to assist infant manufacturing industries...

Pragmatic approach Dr. Malmgren includes in his paper some outline proposals for a new GATT code on subsidies and countervailing duties.

However, even the most interventionist-minded governments must see the need for some international rules that help to reduce the risk of conflict with other countries...

As Dr. Malmgren points out, the last multilateral attempt to grapple with the problems posed by industrial subsidies...

New tactics against the Provos

By GILES MERRITT, in Belfast

PROVISIONAL IRA statements are often a test of credibility, and the latest communiqué in Republican News is no exception.

The change dates from last March, when a major policy review was laid down in a paper called "The Way Ahead"...

Both sides inhabit a John Le Carré world in which there are no "Godfathers" as the Government once labelled Provo chiefs...

Signs of hope The signs are that it is a very different guerrilla organisation to that which kept Northern Ireland on the edge of civil war...

Training schemes The forecaster's job is made exceedingly difficult by the fact that it is no longer possible to make firm assumptions about the relationship between the level of economic activity...

Acceptance by the local population is the aim, and this speaks volumes for the way the atmosphere has improved.

Troop level reductions are also a logical extension of "The Way Ahead" policy, and while Mr. Roy Mason, the Northern Ireland Secretary...

Several weeks ago, the IRA's hard-core in what were once the No. 6 areas of "Free Derry" was estimated at less than 20...

lash from the Protestant private armies. The increased use of "covert" troops, 300 of whom are now intelligence-gathering...

In many ways, they are better for the war against the Provisionals has deliberately gone underground, and as a result, terrorists are increasingly liable to be arrested and charged...

Manpower is probably the most reliable guideline, although estimating Provo strength is scarcely a precise science.

But the root problem remains even though the Provos' political base has been largely discredited. While the leaders remain at large, they recruit...

A delicate balance The most important recent aspect, however, is the Provisional IRA's reduced capacity to terrorise. Ulster is no longer tense under the threat of random bombings and sectarian vendettas...

So, just how strong is the Provisional IRA? That the Provos are still in business, in spite of the successes recorded against them, is seen by many officers as proof of their resilience.

When I asked the Bar Council for a brief, I was told: "An int of new barristers have found that money is certainly not arising on trees in the Temple."

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The RUC is being used increasingly for security enforcement.

but since June the number of funds from the U.S. are claims civilians killed has been 15 compared with the six-month period...

The return to normality has been remarkable, even if Ulster's battered and beleaguered appearance would seem to belie it.

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MEN AND MATTERS

Why customs men are anxious

A meeting taking place this morning in St. Mary Axe, London, may have a considerable bearing upon the dire and sorry problems of the Didcot Distribution Centre.

Today's meeting will be in the offices of the General Council of British Shipping. A letter sent out on November 4 to those attending says that representatives of H.M. Customs will report on investigations into the workings of inland clearance depots—the official name for centres such as Didcot.

Scene change What's to be done when you are in an Arab country and need a Girl Friday in your office? An advertisement in a Kuwait newspaper reads: "Girl Wednesday required by British consulting firm to work 5 1/2 day week, commencing end of November. Friday is the day off in the Arab world."

Open view THE newly-appointed British chief accountant of a manufacturing plant just established by a Danish company near Newcastle-on-Tyne was somewhat dismayed to find his office enclosed by glass walls. "Well,

said his unsuspecting Danish boss, "we can soon pull them down if you would rather your office was integrated into the rest of the open plan landscape."

Flights of fancy For no extra charge, I am now providing a short arithmetic lesson for various readers who telephoned to report gleefully that either British Airways or Air France, or both, had made a hash of their fullpage announcements in the FT yesterday about the first Concorde flights to New York.

Counsels of despair When the Crown Agents advertised recently on behalf of Piji for an experienced barrister to fill a post as a magistrate, there were more than 130 replies.

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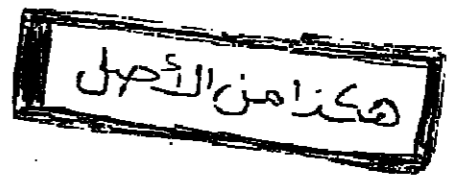
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TURKEY

Despite a domestic economy struggling against a rising tide of international debt, the Turkish people are convinced that their country faces a promising future. But the political base is riven by dissension, and a lack of authority, and has become a serious threat to any real future potential.

Coalition lings

O ower

y Dominick J. Coyle

SINCE THE contemporary political and economic scene in Turkey today is so depressing, it is perhaps as well to record the outlook that all the political parties, and indeed the Turkish people as a whole, are convinced that their country has immense potential for the future and that it can, by the end of the century, be among the leading economic forces in Europe.

This is important, not only because of the potential promise for the future, but as an indication of the mood of national confidence which permeates this vast country of 300,000 square miles and more than 40m. people. It is just as well, because in the short term there is little doubt which one can be confident, and on this too, most Turks now readily, if reluctantly, agree.

Front" coalition under Mr. Suleyman Demirel (53) is in office, but few consider that it is effectively ruling the country. The personal energies of the Prime Minister, and they are considerable, if declining, through years of trying to hold unruly colleagues and coalition partners in check are currently devoted not to the process of government, but rather to the delicate task of endeavouring to hold his cabinet together. It must be, in the long term at least, an impossible task, for the government is an unholy alliance and its partners have virtually nothing in common other than a determination to try to remain in office. But then this too is a compelling force, and despite all the signs to the contrary, it may even be sufficient to keep the unruly pack in power for some time to come.

The last general election in June of this year was to have changed all that. Mr. Demirel had come through more than a two-year spell of government with the pro-Islamic National Salvation Party (NSP), the Right-wing National Action Party (NAP) and a tiny breakaway faction from the left-of-centre Republican People's Party (RPP), led by the respected intellectual, Professor Turhan Feyzioglu.

Mr. Demirel's own Justice Party (JP) is the anchor of the administration, a generally conservative political force committed to private enter-

prise, trying to lie down with the extreme Right, somewhat paranoid National Salvationists and the relative handful of staunchly anti-Communists in the Republican Relliance Party (RRP). It could not last, and few were surprised when the Bulent Ecevit (52) agreed on early elections in a bid to break the impasse.

Impasse

In the event the impasse has, if anything, been reinforced. The Ecevit forces advanced in the June poll, but with 213 Deputies in the National Assembly the party still fell short by just over a dozen votes of the requisite majority with which to form a one-party administration. Mr. Ecevit did try, in part hoping to exploit his personal popularity as the man who as Prime Minister authorised the 1974 invasion of Cyprus in support of the island's minority Turkish-Cypriot population, but his administration was short-lived, having failed to secure the necessary vote of confidence.

It was Mr. Demirel's turn to try again: and he succeeded, at least in numerical terms, by re-assembling more or less the old alliance with the NSP and NAP. Professor Feyzioglu had had enough of noisy cabinet room dissension and refused to support another nationalist front Ecevit can tackle the problems which to-day are pressing urgently on Turkey.

tion towards party political polarisation had made the small parties virtually irrelevant. What Mr. Demirel managed to do was to form an administration which could secure a vote of confidence, but it was not and is not a government capable of ruling effectively.

Ministries and jobs have been farmed out on a disproportional basis favouring the two smaller coalition partners, and the present emphasis is on survival rather than rule. Mr. Demirel's amply-demonstrated capacity for compromise with his ruling colleagues is now being stretched to the point that he himself wonders if it can continue, while the immediate and pressing economic needs of Turkey are such as to dictate the kind of policies for which a vast consensus in Government and in the country is necessary.

There are elements, albeit minorities at this time, within the JP who are insisting that Mr. Demirel paid too high a price for the last coalition agreement, a price which the country just cannot afford: out in the country too there are growing forces, including TUSIAD, the main employer organisation in Turkey, which believes that only a grand coalition, an alliance—whether structured or informal—enough of noisy cabinet room dissension and refused to support another nationalist front Ecevit can tackle the problems which to-day are pressing urgently on Turkey.

A little over two weeks from now, on December 11, the country goes to the polls in important local elections, a contest which has taken on an importance way and beyond its real and normal worth. The RPP views the forthcoming elections as something of a national referendum, a verdict on a disparate coalition government whose actions by way of concrete policies have been minimal in the extreme since it came to office less than four months ago. Mr. Ecevit expects that his RPP will show some advance over the 41 per cent secured in the June general election, and that thus reinforced as the largest political force in the country, and in parliament, he will have an at least moral claim to take over the government.

More privately he hopes that a swing towards the RPP will encourage some few of Mr. Demirel's wavering supporters to cross the floor in support of an RPP government, either directly or through abstentions.

Mr. Demirel's public scenario is different, although he will not really be surprised if the JP loses some ground, not least because of the level of inflation in the country which, based on the cost-of-living index for Istanbul in September, is almost 30 per cent up on the figure 12 months ago. However, an informal electoral alliance with the NAP, denied on the record but likely to operate in fact, could save a number of mayorships and local administration

seats which otherwise might be lost to the JP, and in any event Mr. Demirel can be counted upon to declare, whatever the outcome on December 11, that local elections are not a reliable national barometer, and that his own coalition alliance is what counts.

It is true, but for how long? While the RPP is talking openly about the imminent collapse of the present government, primarily because of the obvious inability of the National Front administration to agree on the kind of measures necessary to overcome Turkey's pressing and serious economic difficulties, Mr. Demirel has in the past shown a considerable capacity to survive politically, even when the odds were greatly against him. It is also a fact that he managed to return to the political scene having been fired from the premiership by the armed forces, a point which should not be forgotten at this time when speculation is rife, though not necessarily accurate, that the military might feel obliged to move again "to save Turkey."

Fact

Yet it remains a fact, which even pro-Demirel forces are not inclined to argue against privately, that few politically-aware people in Turkey to-day expect the present three-party coalition government to survive its full four-year parliamentary term. For all his per-

sonal protestations to the contrary, it can reasonably be assumed that Mr. Demirel himself is not among the few. For the fact is that Turkey faces a short-term economic crisis which the Demirel Government, by virtue of its very composition, appears incapable of solving. The country is, in the strict sense of the word, bankrupt in that it just has not the foreign exchange to meet its commitments.

The economic situation is analysed in some detail elsewhere in this survey but, in setting the scene in Turkey to-day, it is as well to state some true, if unpalatable, facts. Turkey now has a backlog of imports going back to last February for which the Central Bank has not been in a position to provide foreign exchange evidence, whatever the formal cover. The Central Bank has denied suggestions that it has itself issued letters of credit for which there were at the specific time no matching funds. The country's payments deficit is even more chronic than September figures this year, of normal, a point brought home forcibly to the Financial Times in a recent interview in Ankara with the Minister for Energy, Mr. Kamran Inan, perhaps the most articulate member of the coalition Cabinet.

The Minister's account has after discounting oil and estimating the advantage of startling simplicity: Turkey is currently paying \$5m. daily for its oil and a fundamental structural im-

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Per capita	TL16,173
Trade (1976)	
Imports	TL82.9bn.
Exports	TL30.8bn.
Imports from U.K.	£10.90m.
Exports to U.K.	£60.37m.
Currency: Turkish Lira	
	£1=TL33.55

associated energy requirements while on the basis of conservative estimates, on which for security grounds the Minister himself would not comment, the Turkish armed forces, facing the continuing (if somewhat relaxed) U.S. arms embargo require or at least are demanding something of the order of \$1.2m. daily for their arms and spare-parts requirement. This total of \$6.2m. should be set against an average daily income, on the basis of January-September figures this year, of normal, a point brought home forcibly to the Financial Times in a recent interview in Ankara with the Minister for Energy, Mr. Kamran Inan, perhaps the most articulate member of the coalition Cabinet.

CONTINUED ON NEXT PAGE

The most dynamic name in the Turkish money and capital markets:

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Disillusionment with the West

FEELING IS GROWING, if some- one that is marginally in favour of the old enemy, the Soviet Union. In other words, there is a growing public demand that Ankara should use whatever diplomatic muscle it has to secure sanctions against the increasingly, the talk is on these lines, in a sense, on the reality of the S. C. embargo in the wake of the Cyprus invasion in 1974, and insisting it into an economic ban.

The International Monetary Fund, no less than the U.S., is seen to be trying to impose political or even military dictates on Turkey while the European Community is thought to be in league with the U.S. in urging the Turkish economy's failure to absorb a higher portion of the country's resources, particularly cotton

If this satisfies a kind of general Turkish jingoism, but reality is largely nonsense. A more practical basis, however, there is some logic in the side of the same coin: this is the argument, heard with increasing frequency among Turkish politicians and businessmen, that "the West is taking too much for granted," explained in Ankara, this is that Turkey is a major committed partner in the North Atlantic Treaty Organization and, for the time being, remains firm in its conviction that it is a European country associated with the EEC and hoping for full membership of the Community.

In exchange, it is being asked through the arms embargo, misunderstood in essence and being dictated by much of the world at the United Nations through successive resolutions over Cyprus, which "distort the realities of the situation" and extend unhelpful diplomatic support to Greece.

As a nutshell, what more and more Turks are now saying is that their country's foreign policy is not designed to advance their country's best interests, and of course, there is the generally (but not the unspoken) addition that foreign policy, and in this key could be pushed too far by her friends, that the country Mr. Than Sabri Caglayangi, has led be driven into a, which lately had direct talks both with a neutral stance, or even President Jimmy Carter and his



Turkish Prime Minister Mr. Suleyman Demirel talking to President Carter of the U.S. at a meeting of NATO in London.

Secretary of State, Cyrus Vance. The current feeling in Ankara at any rate is that the Carter Administration, and certainly the Pentagon, is anxious to persuade Congress to lift the arms ban and approve the new four-year bilateral defence agreement which would open up roughly \$1bn. in arms credits, loans and outright assistance to Turkey.

Agreement

But, of course, the key remains Cyprus, with the U.S. Congress seemingly unwilling to approve the new Turkish-American defence agreement until such time as there are signs of "meaningful" negotiations for a Cyprus settlement. The question in some measure at least revolves around the interpretation of "meaningful." The Turks argue that they are fully prepared for a resumption of the bilateral peace talks in Cyprus itself, although all the evidence suggests that they would like Turkey and Greece

to be associated directly with such discussions. On the other hand, the death earlier this year of the Cyprus Archbishop Makarios, has, in Turkish eyes in any event, produced a new situation on the East Mediterranean island. It used to be said in Ankara that no settlement was possible in Cyprus until Makarios left the political scene: the present argument is that the interim presidency of Mr. Spyros Kyprianou is incapable of participating in serious talks since his status is even disputed "by the warring Greek-Cypriot factions." In any event, the Turkish Government does not accept Mr. Kyprianou as President of Cyprus, but merely as leader of the majority Greek-Cypriot community on the island, in much the same way as Mr. Rauf Denktaş is seen to be leader of the Turkish-Cypriot minority.

What is more, it is now evident that the presidential elections in Cyprus next February are to be contested, given that Mr. Glafkos Clerides, who acted as interim president during the temporary exile of Archbishop Makarios in the wake of the Greek-junta inspired coup of 1974 (the prelude to the Turkish invasion), has thrown his hat into the ring. This means that it will be spring at the earliest when the bilateral negotiations resume in Cyprus, and even then the Turkish Government will continue to insist that any eventual settlement there must be on the basis of a bizonal federal solution with, at least initially, little real power and authority resting with the central government.

General Assembly, are encouraged or not, depending on which account one accepts. The Turkish side claims to have responded to a Greek request not to disturb the diplomatic sea between them, in view of the run up to last Sunday's Greek general elections: as told in Athens, Mr. Caglayangi in New York had nothing new to offer, "but the same old hardline Turkish position." Athens has been much less forthcoming on the official, if privately expressed, Turkish claim that the Greek Government is now showing signs of agreeing to "substantive" talks on the Aegean continental shelf issue which, in Turkey, is represented as potentially important in terms of possible oil discoveries, but which in essence is a political claim and, on the part of the Turkish armed forces, a military demand as well.

And then there are relations with the EEC. The delayed Association Council meeting finally took place last December, and in a sense at least the Community has managed to put the ball back into the court of the government in Ankara. Brussels is now saying that the initiative rests with Ankara to put forward its case for modifications to the existing Association Agreement, whether in terms of securing better market access for Turkish products, or in protecting infant Turkish industries against Community competition. For the moment anyway, the response from the Demirel Government has been just about zero.

Difficulties

But this is not to say that the government is unaware of its difficulties with the Community, or indeed, and directly on the political plain, is not genuinely concerned over EEC enlargement and with the possibility that Greece, once inside a Community of the Twelve, might be in a position not only to veto any subsequent Turkish application to join, but to influence Turkey's detriment the evolution of the present Association Agreement.

This is a fundamental political question which the Community has, in public at any rate, shown

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QUESTION 1.

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ASSETS	TL	\$
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Due from Central Bank and other Banks	438,978,000	26,605,000
Investment Securities	16,708,000	1,073,000
Loans	4,499,232,000	272,680,000
Equity Participations	318,433,000	19,599,000
Premises, Equipment and other Assets	486,708,000	29,497,000
TOTAL ASSETS	TL7,032,954,000	\$426,240,000
LIABILITIES AND EQUITY		
Deposits	5,620,017,000	340,607,000
Funds Borrowed	737,832,000	44,111,000
Other Liabilities	459,144,000	27,827,000
Equity:		
Share Capital*	160,000,000	9,697,000
Reserves and Provisions	65,961,000	3,998,000
Total Equity	225,961,000	13,695,000
TOTAL LIABILITIES AND EQUITY	TL7,032,954,000	\$426,240,000

* Share Capital has been increased to TL300,000,000 (\$18,182,000) on March 4, 1977.



GARANTI the corporate bank in Turkey.

TURKEY IV

Local elections will test the politicians

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PARTY POLITICS, like much many JP deputies, too high a price to pay for staying in office, else in modern Turkey, go back to Ataturk, and indeed it was not until 1945 that the country allowed itself the luxury of having political parties as such, other, of course, than Ataturk's own creation, the Republican People's Party (RPP), which is currently under the leadership of Mr. Bulent Ecevit.)

The Justice Party (JP) of the Prime Minister, Mr. Süleyman Demirel, is an evolution of the banned (by the military in 1960) Democratic Party and in a sense the JP or its predecessor provided the splinters for the establishment of the two other parties in government with Mr. Demirel, the pro-Islamic National Salvation Party (NSP) and the Right-wing National Action Party (NAP). The only other representative party which one need worry about here, and indeed the political polarisation in the general election last June made that party just about irrelevant, is the Republican Alliance Party itself a breakaway from the RPP.

The big political guns are, of course, the RPP and JP; between them they captured almost 80 per cent. of the popular vote in the last election and they control just over 400 of the 450 seats in the National Assembly. For an 8 per cent. increase in its popular vote in June, the RPP its parliamentary representation from 185 to 213 seats; the JP, proportionally, did much better, pushing its number of seats up by 40 to 189 for a 7 per cent. rise in its popular vote.

Each was short of the magical 225 plus one required for a numerical majority, and when a minority RPP administration failed to secure a vote of confidence, Mr. Demirel reassembled his old unstable coalition, this time minus the RRP, and agreed to share power with the NSP and the NAP, an unholy alliance which ranges from a form of militant Turkish nationalism.

It was, even in the view of

RPP as a whole still believes that the present Government could soon collapse, leaving their party with power almost by default. This in the currently optimistic RPP scenario could take the form of a minority Ecevit administration supported, whether directly or by abstention, by some JP dissidents (foremost perhaps those members of the old Democratic Party), or just possible through a grand RPP/JP coalition.

Mr. Demirel, of course, dismisses such speculation as pure moonshine, although deep down he too must be asking himself just how long the present coalition can survive.

Followers

After all, it is not just his own followers' fears that the NAP will undermine JP support on its right, and especially with the country's youth; it is basically the difficulty of working in co-operation with the NSP leader Mr. Necmettin Erbakan, whom Demirel personally once blocked as a potential JP candidate and subsequently described as "impossible" as a cabinet colleague, a non-working relationship which the Prime Minister quoted as justifying him in agreeing to premature elections last June. For the record, Mr. Erbakan is a staunch opponent of the EEC, a mere 13 votes short of an absolute parliamentary majority which he dismisses as "Jewish lobby" aimed at keeping the developing world in poverty.

Political observers in Ankara and Istanbul are being remarkably cautious about the likely outcome on December 11.

ritory in Cyprus as part of any settlement there and is promoting an industrialisation programme (but without saying much about its financing) aimed at turning Turkey into the world's tenth—sometimes he advances this to the fifth—industrial power by the year 2000.

More immediate, however, are the administrative elections to be held throughout Turkey on December 11 and for which the campaign got into full swing ten days ago. The poll has to do essentially with electing mayors, municipal councils and provincial administrations, but it is taking on more or less the importance of a national referendum for or against the present Demirel coalition.

There is already speculation inside JP ranks that a significant electoral reversal for the party could cost Mr. Demirel personally the leadership or, at very least, serve as the final push to a number of dissatisfied JP deputies who are contemplating the possibility of crossing over to Mr. Ecevit; it not directly, then more or less to the cross benches.

On the other hand, an advance by the Ecevit forces would enhance what the opposition leader refers to as his moral claim to government as leader of the country's largest single party, a mere 13 votes short of an absolute parliamentary majority.

Political observers in Ankara and Istanbul are being remarkably cautious about the likely outcome on December 11.

the emergence of a consensus appears to suggest that both of the main parties could advance over their respective totals last June, with the RPP possibly gaining by the extra margin.

An inflation rate in the region of 30 per cent. can hardly be a big election puller for the Justice Party, but even this advantage could be counteracted by another important factor: a local mayor and municipal council are as useful as air party political ties with the powers ruling in Ankara. As indicated by the heart in their of the Ecevit forces is one thing, but Turks tend to think in their heads, and the arrival of electricity or an urgently needed school in a small town, say Eastern Anatolia, could be financed greatly by the politics of the local mayor as voters appreciate only too well.

For the moment anyway, Mr. Demirel and his coalition of leagues have control over whatever goodie bags are to be given and their implied advice voters in the run-up to the elections is that they should serve their own interests. It can be a fairly compelling force in a country where even to the literacy rate is, on the basis of official estimates, only marginally over 60 per cent. in which, by general European standards in any event, the extreme poverty is a major factor.

D.J.



Turkish armed might on parade. Proportionally, the Turks contribute more to NATO than any other member.

Armed forces reassess status in NATO

THE U.S. ARMS embargo on Turkey has given the country a nudge in the direction of neutrality. Imposed after the Turkish invasion of northern Cyprus in 1974 and coinciding with a period of detente, it has caused many conservative Turks to take a fresh look at their history. Their general conclusion is that it was a disaster for Turkey to have fought in the First World War and a success to have stayed out of the second: "If we had fought on the side of Hitler we would have been invaded by the USSR. If we had fought with the Allies we would first have been occupied by Hitler and then liberated by Stalin. Either way we would now belong to the Eastern bloc," one official says.

The Turkish armed forces, like the Turkish Foreign Ministry, are at present run by the generation which grew up with the memory of Stalin demanding control of the Straits and of the country's eastern provinces. For this generation, the arrival in Istanbul of the USS Missouri in 1946 was and is a symbol of the value of Turkey's link with the U.S. But for the younger generation now moving into which posts a more decisive memory is the blunt letter which President Johnson sent Ankara in 1964 indicating that NATO would not protect Turkey were it to land in Cyprus and the USSR then intervened.

Equally important to this generation is the arms embargo

which showed that when Turkey acted on a matter of national interest the U.S. Congress sought to put a moratorium on its foreign policy. Yet for all this, no major party raises the question of Turkey leaving the Alliance. The opposition leader, Mr. Bulent Ecevit, says: "We are careful not to upset the balance on which detente is based. Therefore we do not intend to leave NATO." And almost surprisingly it is the conservatives who show more reservations about the Alliance in general and the U.S. in particular.

Unseating

The Foreign Minister, Mr. İhsan Sabri Çaglayangil, has blamed the CIA for being behind the unseating of Mr. Demirel in March 1971. As for the present Minister of the Interior, Mr. Korkut Özal, he says that the strategic value of Turkey is such that the great powers "are bound to act to protect their national interests. We have heard so much about CIA operations, the committee of R40, etc. If democratic countries' intelligence organisations act this way then why will the KGB not interfere. This is as clear as the sun in the sky. The only question is how deep is this interference."

Such reservations mean that the Turks are, in the words of one senior Western diplomat, "putting furniture between themselves and the Alliance."

and in the way they are keeping shut the major U.S. communications stations in Turkey. The five main ones used to collect one-quarter of the hard information on Soviet missile launches, according to a U.S. Congressional report.

But now these sources have been replaced by fresh sources such as satellites. Technology has thus altered the military importance of Turkey—much as it did in the early 1960s. Until Syria and Egypt overtook the country's land-mass airbase.

To-day Nato officials had been a crucial site for missiles aimed at the Soviet Union. Khrushchev's demands during the Cuba missile crisis that these be withdrawn coincided with the West developing ICBMs, which made the missiles in Turkey largely redundant.

In New Turkey's value to the West derives mainly from the way it stands between the Soviet Union and the Mediterranean. In 1945 Churchill wrote of his conversations with Stalin that Russia was "like a giant with his nostrils pinched by the narrow exits from the Baltic and the Dardanelles."

The importance of this position has been reinforced by the Soviet Union's best route for supplying its Mediterranean fleet and also necessary for its helicopter carriers. The Soviet Union's arms bill passage through the Straits of the Key in 1976 led to Nato complaints that this was against the Montreux Convention governing the Straits. But in 1975 and 29.4 per cent. Turkey, the guardian of the convention, was not considered as a

Now the USSR is building such carriers in the Black Sea and is requesting for its visits to Turkish ports. But with warfare becoming more rapid, Turkey is peering across the air route to the Middle East and the oil fields of the Soviet Union will have to import. During the Soviet War, 20 per cent of the Soviet supplies ran through Turkey to the Soviet Union and Egypt over the airbase.

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مكاتبنا الأهم

TURKEY V

Banking on a loan

THE TURKISH BANKS, of which there are too many, like other important components of the country's economy, now waiting with growing impatience for a decision on a standby facility. In practice, would be drawn immediately to the full-remissible extent — for the main banks are, in a way, they are touched daily by the key which now affects the country's industry and commerce, namely the shortage of foreign exchange.

The Turkish lira is, for practical purposes, not convertible. The banks' only recourse to foreign exchange for customers is the Central Bank, which, right now, does not have any, at least after allowing for the priorities as determined for it by the Government. These are, principally, foreign exchange needs of military and payment for oil and other energy needs. Already, Turkey is in arrears in its oil payments to Algeria from whom she imports electricity.

Parallel

Only the black market, or by more acceptable title, the parallel market, appears to have a limited supply of dollars. The cost in recent weeks for those fortunate to be able to get them — and they, by all accounts, are surprisingly many — is a premium of some 40 per cent. The official rate of just over 1:19 to the U.S. dollar. By that one "market" measure, at least, it is an extent of further lira devaluation which is expected over the next few weeks or months.

It is incidentally, somewhat surprising that there should now be such a degree of unanimity, including in banking circles in Istanbul and Ankara, that a new devaluation is both inevitable and desirable. After all, the lira, while not convertible, has periodically (some would say, regularly) been devalued, and since May, 1974, the Government has been in a downward trend against the dollar, possibilities of these enterprises have remained rather limited.

"In addition, a lengthy election campaign in the first half of 1977, frequent news about devaluation of the Turkish lira, some irresponsible talks on the bankruptcy of the country and the arms embargo, maintained by the U.S., intensified the economic difficulties."

Dr. Sadiklar, and indeed the IMF are impressed at the extent — taken as an overall package — of the Government's recent austerity measures, and of course neither is prepared to be drawn on the possibility of any further devaluation. Yet the fact remains that it is expected, and clearly Turkish workers abroad, whose remittances are a vital component in the country's payments account, are holding back on repatriations out of their strong currencies into what they consider to be an overvalued lira.

Package

It is not unlikely, either, that any final package from the IMF will include a further adjustment, together with an orderly system for paying off accrued foreign liabilities for imports, upper limits to the total level of government expenditure and for domestic credit expansion, all against the background of a lower level of overall national growth in the next couple of years anyway.



Art in traditional industry. Ceramics production at the state-owned Simerbank plant.

The real problem facing the banking community, both inside Turkey and the international banks committee here, is whether the present uncertain coalition government can accept such medicine and survive. The IMF team under Mr. Arthur Woodward is expected back in Ankara for final negotiations within the next week or so.

It is this whole scenario, and not the more conventional branch banking routine, which to-day preoccupies most Turkish bankers. Yet the profitable branch banking network continues to grow, to the present point where some 40 separate banks, although many of them quite small, operate roughly 5,000 branches, or a branch for every 3,000 people. These branches are, in general, vastly over-staffed, with the consequence that a simple transaction tends to involve the customer along a reversed bureaucratic pyramid of authority in the worst lines of Parkinson's celebrated law. What is more, and branch managers themselves are the first to admit it, but usually in private, is that their authority at the national top is more imaginary than real with all but the most routine decisions being taken at head office.

At head offices, where an increasing number of younger executives are products of training abroad, one hears the same complaint, not least on the question of their limited authority on lending. Indeed, the impression persists that in Turkish banking, lending authorisations occupy a large part of Boardroom decisions, with the younger executives currently being more preoccupied with, or more directed to, organisational matters, not least with rationalising branch operations, including a hoped-for reduction in staff and in bureaucratic routine. Certainly, some limited form of mechanisation is overdue, if only to handle the vast fields of paper.

At a more central level, there is need for some new banking legislation, not least perhaps to bring more into line with international practice the lending limits which any one bank may

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The company has increased its level of investments through expansions in the Yarimca Complex, and by the erection of the Aliaga Complex. By the end of 1976, the investments totalled up to \$ 258 million and are expected to reach \$ 1,510 million in 1980 when the Aliaga Complex is completed.

The following table reflects the plants and their capacities taking place in the Yarimca and Aliaga Complexes.

YARIMCA COMPLEX		ALIAGA COMPLEX	
Plants	m.tons./year	Plants	m.tons./year
Ethylene	60,000	Ethylene	300,000
Low Density Polyethylene	27,000	Low Density Polyethylene	150,000
Vinylchloride Monomer	54,000	High Density Polyethylene	40,000
Polyvinyl Chloride	52,000	Vinylchloride Monomer	105,000
Chlor-Alkali	36,000	Polyvinyl Chloride	100,000
Dodecyl Benzene (x)	20,000	Chlor-Alkali	75,500
Carbon Black (x)	30,000	Aromatics: Benzene	115,000
Styrene	25,000	Paraxylene	110,000
Polystyrene	15,000	Orthoxylene	65,000
Caprolactam	25,000	Polypropylene	60,000
Butadien Extraction	33,000	Ethylene Oxide	54,000
Styrene-Butadien-Rubber	32,000	Ethylene Glycol	68,000
Cis-Polybutadien-Rubber	13,500	Phthalic Anhydride	30,000
		Acrylonitrile	70,000
		Tri/Perchloroethylene	10,000
		Pure Terephthalic Acid	70,000

(x) Expansions under construction are included

The total sales volume of the company has boomed over the six years since the Yarimca Complex has been put in operation in 1970. Total sales amounted to \$ 97,304,000 in 1974, \$ 133,138,000 in 1975, \$ 189,770,000 in 1976, and is expected to reach \$ 350,590,000 in 1977.

PETKIM is also an importer of plastics, feedstock, chemicals, investment goods, and construction equipment. As a major importer of plastics in Turkey, to meet the upturn in demand, PETKIM is importing 190,000 tons of plastics in 1977 and expects this figure to rise in the years following. The investment goods and construction equipment are imported for the Aliaga Complex under construction. The total value of machinery and equipment to be imported for the Complex is \$ 220,762,000.

PETKIM will be in a position to satisfy the domestic demand for petrochemical goods, and will realise an export potential for its products when the Aliaga Complex is put in operation in 1981.

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- Sales volume is \$ 30.4m in 1977, expected to increase to \$ 39.3m in 1978 including \$ 5m of export.

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Armed forces

CONTINUED FROM PREVIOUS PAGE

Its armed forces total nearly 500,000, and include four armies. The First Army based in Istanbul has ten divisions ranged against a possible attack by Turkish Thrace. The Second Army with its headquarters in Konya, has four divisions compared with the four divisions of the Iraqi and Syrian armies. It also has 28,000 troops on Cyprus.

The Third Army, based in Erzurum, has seven divisions ranged against the 12 Soviet divisions available in the Caucasus for offensive operations. All three armies face forces which have at least two to one superiority in tanks over them.

Turkey's last army is its Aegean one based in Izmir. This is not known as the fourth army as when Turks talk of "being posted to the Fourth Army" they mean a soldier has been killed.

Military sources say the cost of equipping the new Aegean Army and re-equipping the other forces in Turkey is, in the Turkish General Staff's opinion, an annual \$800m. Recently, however, they have been forced to settle for an estimated \$500m, though the exact figure is a close-kept secret.

The original arms embargo imposed after the Cyprus operation has been largely breached but still, the limit on credits and sales means that the equipment Turkey wants is much more expensive than it would otherwise be.

Military credit for the U.S. fiscal years 1975-76 and 1976-77 was kept to \$125m, and for the current year, 1977-78, it is \$175m. But most of this has been spent on 40 Phantom jet fighter bombers. The total cost of these is estimated at \$480m, and delivery is to start and be completed next year.

Such credit limits are considerably below the \$340m annually which would have been available from various sources if the four-year defence co-operation agreement signed in March last year had been approved by the U.S. Congress.

West German military aid for last year totalled \$100m, but still the requirements of Tur-

key's military machine have been huge, gobbling up scarce foreign exchange, even if there is reported to be a \$400m, secret fund kept for emergencies by the military.

The result of this has been to boost local arms production. As an old imperial power, Turkey has a tradition of making weapons dating back through the centuries. The shipyards set up by Mehmet the Conqueror in 1455 have moved on from galleys such as those used by Barbarossa, Admiral of Suleyman the Magnificent. They and other shipyards now turn out patrol boats, landing craft and submarines — the Turks in fact claim to have made the world's first submarine.

As for light arms, in 1975 a report by the General Staff said that Turkey was 90 per cent. self-sufficient in these, 30 per cent. in heavier weapons and 15 per cent. in sophisticated equipment. It makes howitzers, rocket launchers, machine guns, ammunition and mortars. It has also exported some of the anti-tank "Cobra" rockets, which Turkey manufactures under licence to the Far East.

Turkey is also hoping to start its own aircraft industry. It has tried this three times already this century, but not with great success, with the last one killed off when the Marshall Plan enabled Turkey to obtain aircraft from the U.S.

But the present venture has hardly got off to a flying start. TUSAS, the Turkish aircraft industry, announced with a fanfare that it would sign a contract with AER Macchi in October. The documents for what was to be a \$156m, contract were duly set out on the table for signature. But the Turkish armed forces boycotted the ceremony. Amidst a host of mutual recriminations the only apparent conclusion to draw was that this "heavy industry" like, so many other grandiose plans of building the "Great Turkey" will have to wait upon Turkey muddling through its present economic crisis.

David Tonge

TURKEY VII

Agricultural yields improve

NINETEEN SEVENTY SEVEN earlier to between \$100 and \$110. Turkey has now made contracts for exports of 2.5m. tons but, as one agricultural expert says: "The Turks have never been merchants. We do not have the necessary knowledge of the world markets nor the right approach. We wait for others to come and beg for our products."

In wheat in particular other problems too are developing. The least of these is, surprisingly, the lack of silo storage capacity. Present capacity is 1.7m. tons, compared with total wheat stocks for both foreign and domestic consumption of 6.2m. tons. Storage under tarpaulin or plastic is traditional in Turkey and losses average only 2 to 3 per cent. But handling and transport become difficult. While the authorities have this year begun a three-year programme aimed to expand silo capacity to 2.2m. tons, they have still to face up to the increasing problems exporters face at Turkey's ports. These are not only congested but, by and large, lack bulk loading facilities.

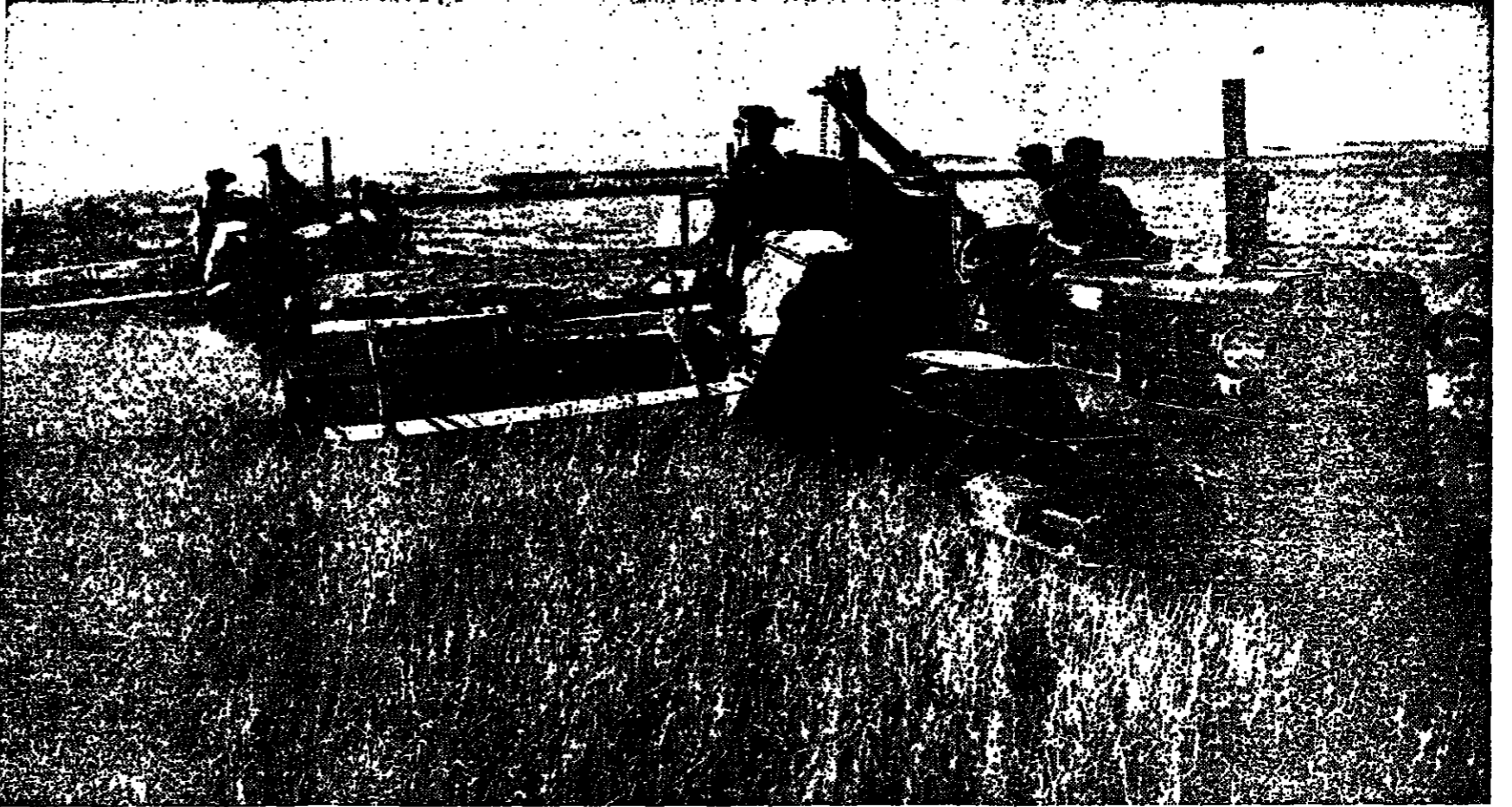
In cotton the main problems come from the difficulties of selling in a world market increasingly subject to quotas and competition. Exports in the first nine months of the year totalled \$3,949 tons and were worth \$143m, against \$51,560 tons and \$385m. in the same period one year earlier. But now a record crop, estimated at 617,000 tons, as compared with 1976's 470,000 tons, means the Government is looking for export earnings of at least \$300m. from cotton and cotton yarn. The Government is now giving exporters a 15 per cent. rebate. One of the problems in this sector is that the expectation of a further drop in the value of the Turkish lira has caused traders abroad to hold off purchases in the

expectation of being able to buy at cheaper prices later. Tobacco has also had a bad year, with shipments in the first nine months totalling 40,953 tons, 40 per cent. below the comparable 1976 figure and earnings from tobacco in this period totalling \$117m., a 48 per cent. fall. The export season for the 1976 crop opened in October and has seen the merchants sell the 15,000 tons they had in stock. Foreign buyers, however, have taken a more wary attitude to the 120,000 tons in the hands of state monopoly, Tekel. This is mainly for quality reasons as the prices have been fixed in dollars and the Government has said that they will not be changed by foreign exchange rate adjustments. Prices for the 1976 crop are slightly lower than for the previous year: American-grade Asean tobacco, for instance, is priced at \$3.25 per kilo compared with the end-season price for the 1975 crop of \$3.53. The 1977 crop is estimated to be 274,000 tons, just below the 1976 record.

Exports

The accompanying table shows that it has been a better year for Turkey's traditional exports of dried figs, raisins and hazelnuts. Traders in Izmir say that exports of this year's crops have been moving fast, with half the crops of raisins and dried apricots sold by mid-November and over 80 per cent of dried fig production. It has been a good year for hazelnuts. Turkey supplies 70 per cent of the hazelnuts traded on the world market and this year they have replaced cotton as the main agricultural export product.

Citrus exports, on the other hand, have fallen off, as have exports of vegetables. It has been a better year for fresh Konya plain, for instance, there are near "dust bowl" conditions and vegetables have failed to show the growth changes have taken place in the expected, with a part of the problem being that of arranging the necessary transport. A rise in the citrus growing area to Italy has just been inaugurated and may help overcome the transport problems has still only one-eighth of the number of tractors per thousand hectares as the EEC and uses one-quarter of the amount of fertilisers per hectare. Plans to improve these ratios have inevitably been affected by the present economic crisis, but



Harvesting wheat at Adana.

has the third largest cultivated area in Europe, coming after only France and the Soviet Union. The term the "Anatolian Plateau" is misleading since only one-sixth of the arable land has a slope of less than one in eight and two-thirds of the country suffers from some form of soil erosion. In the granary areas on the Konya plain, for instance, there are near "dust bowl" conditions and vegetables have failed to show the growth changes have taken place in the expected, with a part of the problem being that of arranging the necessary transport. A rise in the citrus growing area to Italy has just been inaugurated and may help overcome the transport problems has still only one-eighth of the number of tractors per thousand hectares as the EEC and uses one-quarter of the amount of fertilisers per hectare. Plans to improve these ratios have inevitably been affected by the present economic crisis, but

the long way to go reflects the traditional neglect of the provinces by Ankara. Four-fifths of Turkey's villages, for instance, remain without electricity. In recent years Governments have ensured large transfers from the budget to the peasants by fixing the levels of support prices for a wide range of goods on social rather than economic grounds. But there has been relatively little capital available for investment projects. To-day it accounts for 59 per cent of employment in Turkey and some three-fifths of the country's exports, yet during the 1973-77 five-year plan only 11.5 per cent of the investment foreseen went to agriculture. Equally, there has been neglect of the social consequences of the changes which have taken place. The spread of communications and the growing use of tractors has contributed to the break up of the extended family arrangements of the past and their replacement by nuclear family relationships. Migration to the cities has become the practice so that by 1965 three-fifths of the population of Ankara and Istanbul had been born elsewhere.

The government's long-term plan is to reduce the share of unemployment in agriculture from 59 to as little as 10 per cent by the end of the century. Its plan is to do this by creating jobs outside agriculture in the provinces, rather than encouraging yet further the flight to the cities. Even so the resulting unemployment is going to swell yet further the existing labour surplus. One attempt to introduce integrated rural development is now going on in the provinces of Corum and Cankiri north of Ankara. This is a World Bank project, with \$75m. of finance made available. The FAO is also active in Turkey. One of its projects is to help the Ministry of Agriculture develop the methods with which it establishes crop support prices; these, curiously, are announced

after rather than before sowing, meaning the government is thus deprived of one of the usual tools of influencing crop patterns.

System

The aim of the new system is to help Turkey adapt more quickly to changes in world grain prices and to the animal fodder needs of the country. At present the Turks have one of the highest bread consumptions per head in the world but their meat consumption is only one-quarter of the European average. Officials at the Ministry of Agriculture fear that rising expectations and the spread of television may contribute to a rapid increase in this share. In the long term the need for Turkey to ensure prosperity for the provinces is accepted, at least in theory, by all. The opposition Republican People's Party bases its development programme on the rural sector, would like to see the promotion

of co-operatives and favours the land reform called for in the constitution. At present 10 per cent of those working in agriculture have no land while huge feudal estates exist in the south east. In 1973 a land reform Bill was enacted and a pilot project started at Urfa in the south-east of Turkey. The Bill now has to be revised as the constitutional court has challenged the provisions on compensation. In the meantime the present Government is dragging its heels on the move. The Minister of Agriculture, Mr. Fenim Adak, comes from the National Salvation Party and the head of this Party, Deputy Prime Minister Necmettin Erbakan, recently told a delegation of landlords from Urfa who were complaining at the land reform that it was "oppressive, a violation of the right of private property and a trick of some foreign powers who seek to undermine Turkey."

D.T.

CENSAH-ISTANBUL

AGRICULTURAL EXPORTS			
January-September figures, \$m.			
	1976	1977	Increase %
Total	974	657	-33.5
of which:			
Cereals	24	48	100
Chick peas and lentils	22	18	-18
Tobacco	226	117	-48
Cotton, unprocessed	385	143	-62
Dried figs	4	6	50
Raisins	36	42	17
Hazelnuts	124	157	27
Citrus fruits	32	27	-16
Other fresh fruits	5	11	120
Vegetables	9	9	—

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Çukurova Holding is now active in many different and exciting areas, including trading, banking, insurance, textiles, construction machinery, automotive engineering, plastics, chemicals, food and beverages, etc. Management expertise and versatility get results. Total sales for 1977 are estimated at \$300 millions.

Internationally, Çukurova Holding has links with such notables as General Electric, Yokohama, Kennametal, Singer, Cadbury-Schwepes, Armstrong Patent, Schoeller, Fosco, Dawson-Keith, Ex-Cell-O, FMC, Oshkosh, Fordath, etc. And is one of the biggest dealers in Caterpillar and John Deere. In fact, Çukurova already manufacture a selected range of John Deere equipment, and by the end of 1978 will also be manufacturing Caterpillar machinery in Turkey.

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These are the key-words for Çukurova Holding's management and performance record. For the future, the prospects are even better. In the economic growth of Turkey towards the European Common Market, Çukurova Holding hopes to play an important role. Young ideas and far-sighted management will be setting the pace.



TURKEY IX

Mineral wealth still largely untapped

THE TURKS have long prospected their minerals in a haphazard way to the villagers who find gold bracelets under their mattresses. They are proud of what they have but distrust others at the same time. The result is that the country's underground wealth is largely unmapped and unexplored.

Turkey's petrol production covers less than one-fifth of its needs and its fuel import bill has so far this year been higher than its total export earnings. As for its non-fuel minerals and metals, the proven reserves in Asia Minor include the world's third largest deposits of chromium, huge borate deposits and exploitable reserves of metals such as tungsten, copper, lead and zinc. Turkey has also just found out that it may have the world's largest reserve of uranium, with West German reports saying there are potentially 6m. tons of the metal under the Black Sea, though the technology to extract this economically has not yet been developed.

The availability of crude oil on the Ramandag fields in south-east Turkey has contributed to the way that Governments in the past have relied heavily on oil as an energy source and have followed a policy of keeping petrol prices low. It was only this September that these were finally doubled to reach the equivalent of 75 pence per gallon. The Minister of Energy and Natural Resources, Mr. Kamran Toman, says that to everyone's surprise this was followed by a small increase in consumption. Longer-term measures to reduce Turkey's dependence on oil include the present emphasis on lignite-based and hydro-electric power stations. In the short term the Government is considering limiting weekend motor and is boosting local exploration activities.

In 1976, Turkey extracted 6m. tons of oil from its fields. A recent report by the Ministry of Energy estimated its reserves of crude oil and natural gas at 11m. tons on a conservative basis and 10bn. tons if the most optimistic figures are taken. Foreign oil companies point out, however, that such figures are misleading in that the Turkish fields are fractured and do not quickly to salt water. Onshore, the Turkish Petroleum Administration, TPAO, is trying 28 rigs from Romania step up a programme which is already seen to be carrying out a large number of drillings. Offshore, five wells are planned in the Marmara Sea and inside Turkey's territorial waters in the Aegean. Turkey's survey vessel, the Sismik I, is continuing its seismic work, though the time being is staying inside the areas of the Aegean disputed with Greece. Foreign companies say the findings the Aegean so far are not encouraging, though Mr. Ismail Kafescioglu, a Deputy Director of the TPAO, says more research work is needed. "For us the most promising areas are the Gulf of Saros, north of Dardanelles; in the area between Imros, Tenedos and the south of the Dardanelles; and north and south of both Midilli (Mitilene) and Sakis (Samos)."

It was the Sismik's prospecting in the last two or three years which caused Greece to bring the Aegean dispute to the Security Council in August 1976. Today, Mr. Kafescioglu says Turkey has no intention of bringing the present talks between the two countries by carrying out fresh survey work in the disputed areas, though warns "If the talks go on forever then we may reconsider our position."

This dispute makes the Aegean unattractive for the majors while bureaucratic delays in Turkey and worries about being paid on time seem to have lain behind one U.S. drilling vessel cancelling a planned trip to work in non-controversial waters. Inside Turkey too the foreign companies have had problems which make them reluctant to expand their liabilities. Before the elections their worry was that the opposition Republican People's Party would be returned in 1974 the Under Secretary of Energy in the seven-month RPP government, Mr. Teoman Koprulidiler, had clamped down on their operations. Now BP is continuing its negotiations to sell its 17 per cent share in the 4.4m. ton Atas refinery at Mersin to the state. However, its partners, Mobil and Shell have no such present intentions and with the right-wing National Front coalition back in power there has been some slow progress in settling their grievances.

Mr. Inan says that the government is now reconsidering Decree 20 of 1974 which established refinery margins for indigenous crude and which has been cumbersome to operate given the fluctuations in market prices. Refinery margins for crude imported prior to October 1975 were corrected on a back-dated basis this spring. The oil companies found the settlement satisfactory and are now awaiting an adjustment for subsequent operations.

play the card of Islamic solidarity have so far failed to win Turkey more than a slight improvement in credit terms from the oil producers. But the opening in June of the 612-mile Iraqi-Turkish pipeline has considerably eased the pressure. This has an annual capacity of 35m. tons. Turkey's option on 40 per cent of the throughput guarantees it 14m. tons, which is the level its imports are expected to reach this year. Pumping was interrupted for 10 days in July following sabotage: a bomb exploded, rupturing the pipe, in Turkey close to the Syrian border.

Adding to the import bill has been the way that for the first time in many years Turkey's refining capacity has become inadequate for the Turkish market. Instead of exporting refined products, a process which earned Turkey \$16.2m. last year, it has had to import them. Refinery expansions in hand should lead to a balance being struck again in 1979 while in 1980 it is hoped that the 5m. ton per year Central Anatolian refinery being built with Romanian assistance will start operation. A further refinery, to be built on the Black Sea, probably with Soviet assistance, is now being discussed, with the intention being that this should start up in 1983.

The problems faced by the foreign oil companies in Turkey have been even more marked for mining companies. The last large foreign operation here was that of Borax Consolidated. But this was nationalised at a price the company considered inadequate. As for present investments, these are mainly aimed at building up self-sufficiency rather than making Turkey a major exporter.

In this sector the state, which generally acts as the godfather of Turkish industry, is dominant. Four-fifths of metallic ore reserves and two-fifths of those of non-metallic ores are owned by the State. This has an exploration agency, Maden Tetkik ve Arama, and owns and operates plant, through the Etibank, which is named after the Hitrites but is one of the more active state enterprises. The sector has numerous problems. Projects are usually delayed because of bureaucratic problems. There is a shortage of the large capital sum required and of the personnel necessary. Both port facilities and the railways are inadequate and there is an acute shortage of electricity.

In October two of the four units of the 60,000-ton per year Soviet-supplied aluminium plant at Seydisehir, near Konya, were closed down to save electricity. Turkish officials had already had to back down from the initial plan of paying for the plant by exporting much of the factory's production. As in so many cases demand forecasts and the opening of production plants gave an unexpected boost to demand. Plans for doubling the plant's aluminium capacity in the next two years and quadrupling it by 1987 have had to be reappraised.

Exports of mining and quarry products in the first eight months of the year totalled \$72m., 7 per cent of total exports and 11 per cent higher than in the same period of 1976. There were large increases in shipments of magnesite and borates (to \$10m. and \$30.7m.) but a drop in exports of chrome ore (to \$23.3m.). The drop in chrome exports has in some extent been compensated for by

The various visits by Turkish Ministers to Middle Eastern countries and their attempts to

Despite the opening up of the Cinkur lead and zinc plant at Kayseri this year State Planning Office officials do not see any possibilities of Turkey developing an export surplus in the near future. There have been problems with copper owing to a lack of ore-concentration equipment. This has meant that even though present consumption is less than one half the installed capacity of the Etibank's three plants Turkey is still expecting to import a total of 7,000 tons of copper this year.

More burning, however, are the questions of tungsten and uranium. Tungsten is no longer on NATO's list of strategic minerals but is valuable for weaponry. A tungsten oxide plant is now being established

D.T.

These will be hard to develop, and in any case interest has piled beside the report by Professor Degens of Hamburg University that some 6m. tons of uranium could lie in Turkish waters in the Black Sea. The Professor says that there are uranium deposits in a layer 80-100 cm. thick at a depth of 1,000-2,000 metres. "It is of a very high quality because the fossil and other residues are bottled up in this closed sea. Because there is no life below 100 metres in the Black Sea, the uranium layers are not covered over." The Professor told the Turkish newspaper, Milliyet. He estimated that each ton of deposit could give 100 grams of uranium, but he warned that it would take several years to develop the technology which could make it economic to exploit the deposits.

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More burning, however, are the questions of tungsten and uranium. Tungsten is no longer on NATO's list of strategic minerals but is valuable for weaponry. A tungsten oxide plant is now being established

D.T.

TURKEY

The Mosque of Sultan Ahmet was designed in 1616 by Mehmet Aga. Completed seven years later the Blue Mosque as it is commonly known derives its name from the magnificent blue glazed tiles that cover the interior walls. The atmosphere is one of sheer beauty and peace. The sight is one of man reaching out to his own God. It is one of the thousands of remarkable sights Turkey offers to the World.

so much for so little

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edge - ya - ya - ya - ya - ya

WHAT'S IN A NAME?

(W. Shakespeare)

In Turkish, "eczca" is drug, "eczaci" is pharmacist, and "eczacibasi" means chief pharmacist. Bestowed on Suleyman Ferit Bey as an honorific title by Izmir City Council in 1909, it has become the name of the largest manufacturer of pharmaceuticals in Turkey - chief pharmacist' to the whole country.

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It is important to the Turkish economy. This is the state owned Sümerbank yarn and print plant at Izmir.

TURKEY XI

Communications bottlenecks threaten development

KEY IS a bridge on many. The battered carcass of the past are an... of the role it used to... in linking Europe and Asia... on transit trade along the... "silk route" through Asia... were one of the main... of income of the Otto... Empire. To-day the Turks... become increasingly deter... ed to make use of their geo... graphical position to finance... development.

opening of the Bosphorus... In October 1973 came... before the jump in oil... prices and was followed... by boom in imports by the... producers. But delays of... 200 days in the ports of... Gulf obliged these countries... expand their overland sup... plies. Much of this came on... lorries. In 1972, 10,261 of... se had transited to Turkey... 6 years later this figure... had 24,205 and in 1976 it... up to 100,000.

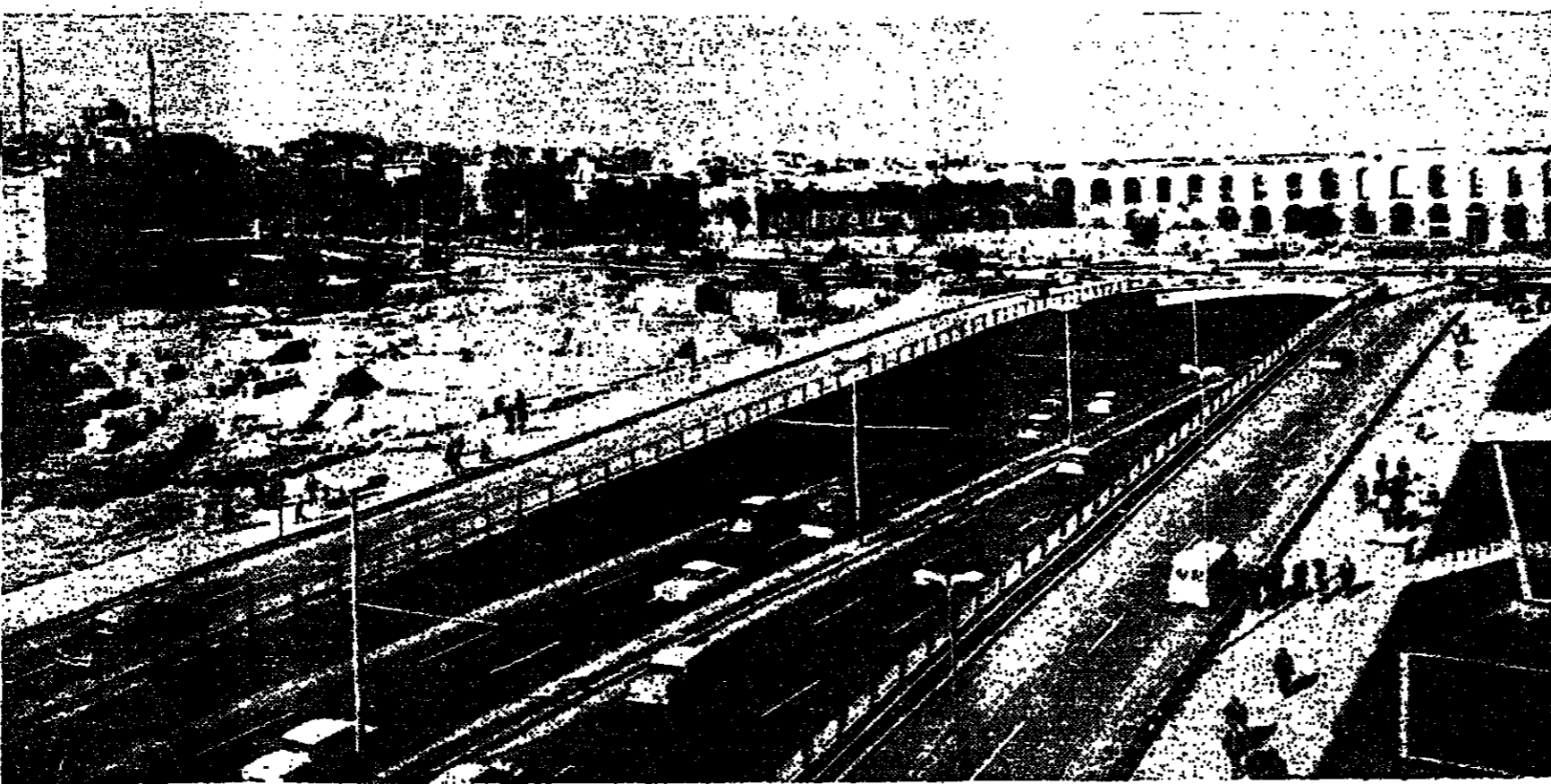
At the same time there was... hort-lived boom in combined... sport. Shippers estimate... t in 1975 one million tons of... ids arrived in Turkish ports... be loaded on to lorries or... wagons and moved on to... and Iran. This year a... fraction in the degree of con... dition of these countries' ports... led to a considerable fall in... the through Turkey—perhaps... as low as 200,000 tons... wading to one leading... ader.

growth

Plans to help meet the... st growth in TIR traffic in... ide a second bridge across... Bosphorus and building the... rkish section of the Europe... ia highway. The Governmen... t announced that the founda... m stone of the new bridge... ll be laid next year on May... the anniversary of the Otto... an conquest of Byzantium... ne first bridge is already nea... r capacity and with it having... en self-financing the "TIR... s" encouraged to proceed with... second one, with a crossing... or the Dardanelles, and a... lway tunnel under the Bos... orus. The engineering design... rk on the first project, which... have a 1,215-metre span and... round 852m, including... road, will be required... ow being carried out by... ank Post and Partners (the... ood) who designed and... rvised construction of the... ridge. The Dardanelles... ect is still a mere dream... easibility studies on the... ay tunnel have been com... ed and engineering design... k of what is expected to be... 200m project is about to... All three projects are... sed by town planners who... for the same funds to be... n mass transit in the

Facilities

Turkey's ports suffer from a... serious lack of bulk handling... and storage facilities, shortcom... ings which cause particular... problems during the seasonal... pressures caused by most of... Turkey's exports being agricul... tural goods. By diverting cargo... from the main ports to smaller... towns, it has managed to ensur... e that the delays have rarely been... crippling. There was a 17 per... cent increase in cargo between... 1975 and 1976. Figures from... the Ministry of Communications... show that a mere 22 per cent of... Turkey's trade goes through... Istanbul and that the most... active port has now become... Herson on the south coast. Apart from agricultural exports, this port has been handling a... considerable amount of com...



Ancient and modern Istanbul; the traffic underpass near the 4th Century Aqueduct of Valens.

Referring to them, Prime... Minister Suleyman Demirel... while boasting that Turkey will... be the world's tenth largest... industrial power by 1995, says... that to-day it is "a giant in... child's clothing".

To the visitor the most im... mediately sensed problems are... the traffic jams in the cities and... the difficulties with telephone... and telex communications. The... situation has considerably im... proved in that there are now... far better links between the... cities of Turkey, but telexing... abroad is all but impossible... during normal working hours... and telephone calls are subject... to long delays. Semi-automatic... lines to West Germany have just... started operation, but the bene... fits of the new 480-channel co... axial submarine communications... link between Italy and Turkey... have still to work through. The... Jugoslavs in question are far... from popular in Turkey. They... have added to the congestion... on roads which the Prime Minis... ter says are already carrying... five times the traffic for which... they were designed. One result... is that journeys take longer and... another is an increase in acci... dents: in 1975 the TIR lorries... going to Iran, about 60 per cent... of the total, killed 192 people... and wounded 414 others. They... were also responsible for 70 per... cent of the damage to the Tur... kish road system, according to... the Government. This spends... an annual \$70m, on road repair... and maintenance.

In a detailed analysis of the... TIR question for TUSIAD, the... Turkish Industrialists and Busi... nessmen's Association, Mr. Berk... Koger argues that Turkey's... transit-trade is not being pro... fitably profited from. This is a... point frequently made by Tur... kish Ministers and Mr. Koger... who is TUSIAD's head of re... search, points out how Turkey... has failed to develop the hotels... and maintenance facilities... which could earn it foreign ex... change. He says it has failed to... collect the money it could for... maintenance of the roads and

for the cheap fuel it has been... supplying to the lorries. He also... argues that more priority should... have been given to Turkish TIR... lorries.

It was only in December 1975... that Turkey announced that it... would begin to collect a toll... This amounts to some \$500 per... 20-ton lorry and led to imme... diate outcry from Turkey's... neighbours. Iran froze a \$1.2bn... loan which had been under dis... cussion, largely for communica... tions projects. But gradually... bargaining position is strong. It... needs huge sums to carry out... the expansion of roads and del... ates in theory. But in prac... tice many lorries reportedly... manage to avoid paying their... full dues; estimates of the share... of the legal dues actually col... lected range as low as 25 per... cent, according to Mr. Koger.

But some notes of caution are... also being sounded. "We should... not forget how the silk route... of Ottoman times faded once... the West found the Cape of... Good Hope," says Captain... Metin Leblebicioğlu, director of... Koctuz Shipping, the country's... largest private shipping com... pany. Others too argue that... Turkey needs quickly to com... solidate the present land bridge... to Asia—before the trans... cussion, largely for communica... tions projects. But gradually... bargaining position is strong. It... needs huge sums to carry out... the expansion of roads and del... ates in theory. But in prac... tice many lorries reportedly... manage to avoid paying their... full dues; estimates of the share... of the legal dues actually col... lected range as low as 25 per... cent, according to Mr. Koger.

For the time being Turkey's... position seems secure. The... USSR has just trebled the... transit charge for Iranian goods... routed to Europe and in any... case weather conditions north... of the Black Sea are far less... favourable to traffic than those... in Turkey. With no other land... bridge feasible and the Soviet... rail gauge different from... Western Europe's Turkey's... Europe canal diverts trade to... the sea, the port expansions in... the Gulf abolish the present... toll is now being paid—at... least in theory. But in prac... tice many lorries reportedly... manage to avoid paying their... full dues; estimates of the share... of the legal dues actually col... lected range as low as 25 per... cent, according to Mr. Koger.

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10 Lt.

Rhein Stahl Hilden type boilers

from 20,000 Kcal/h to 453,000 Kcal/h

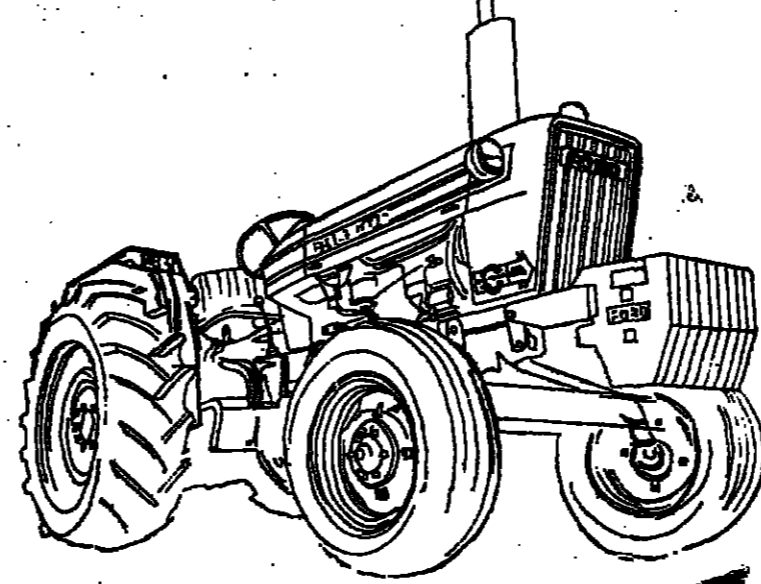
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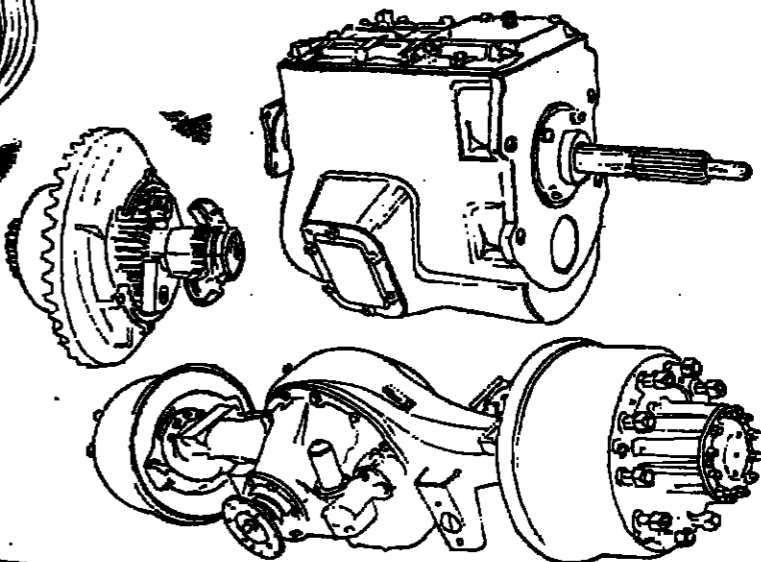
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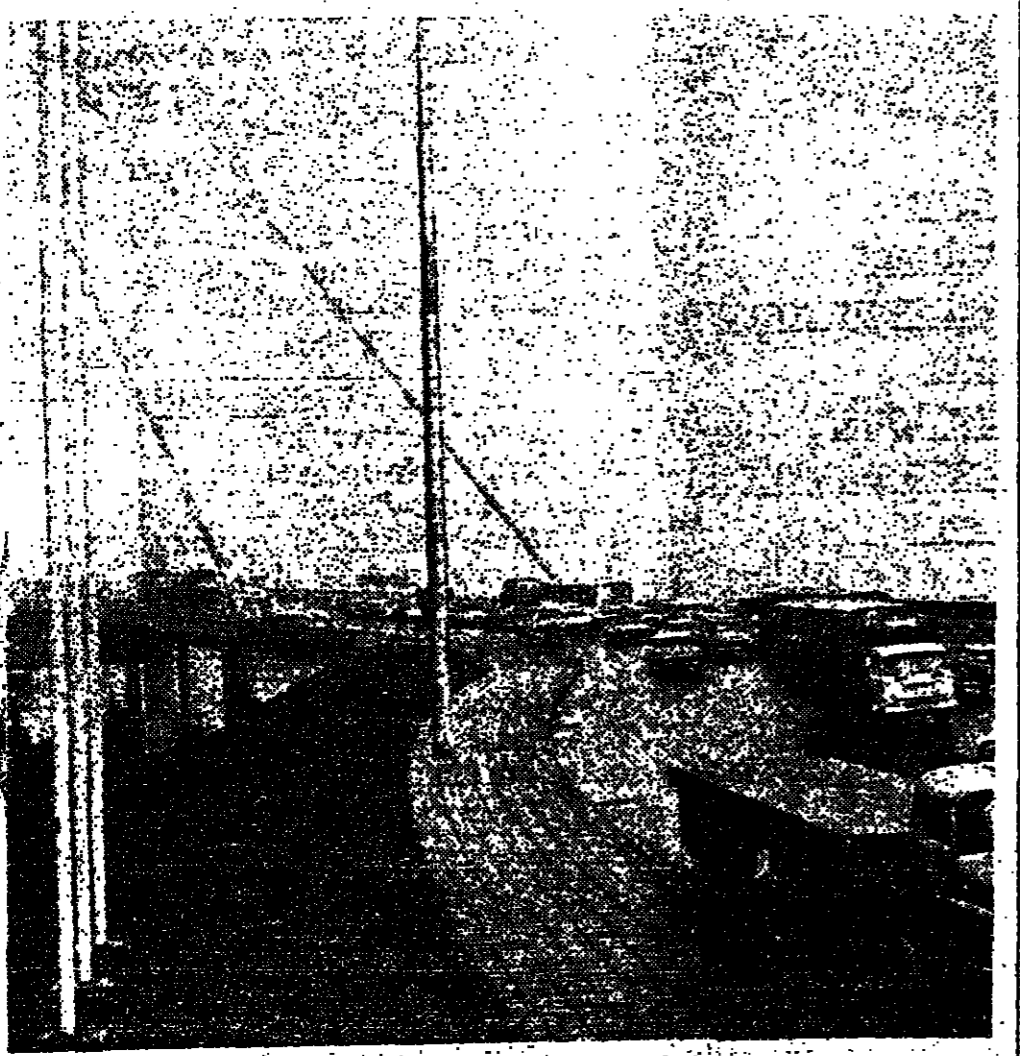
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VEDIER



The Bosphorus Bridge at Istanbul.

Tourism to be tapped

"TURKEY, A FEW days' visit, a memory for life"—the advertising abroad is spreading but tourism remains the underdeveloped sector of a developing country. The statistics are striking. One point seven million tourists visited Turkey last year yet Turkey managed to have a net deficit of \$39m. on the tourist account. Further, while other countries rely on tourism to help finance their trade deficits, Turkey, in a far more desperate position than they, has little present intention of doing so.

The country's tourist potential is formidable. You can live in Istanbul for a year and still feel that you have but scratched the surface. The empires of the past crumble on, unconquered by the conquerors of the seven hills and bobbing waters of the city. Istanbul is a place for strolling, over the creaking, decaying pontoons of the Galata Bridge, across the Golden Horn to the bustle of the old Egyptian spice market and the covered bazaar, on to the monuments of the past

and the plane trees near that symbol of the Eastern Rome, Saint Sophia.

Tucked away between this 6th century glory and the Ottomans' Palace of Topkapı is the perhaps more impressive but little known Saint Eirene, the church of the saint of peace, but used by the Ottomans as their war memorial. This houses the siege guns used twice on the walls of Vienna with the west looking on with horror lest the Ottoman hordes attacked them too. As for the back streets, in between the leaning wooden houses are monuments to magicians who gave the Sultans potency, lost Byzantine churches dedicated to saints with names like Bacchus—who was in fact a Christian soldier—and mosques built by Suleyman the Magnificent's prolific architect, Sinan, an Armenian.

Add to this the Bosphorus with its fish restaurants—one of them with a 68-year-old Greek trout—Theodore Negroponte—and its steamers dating back to 1912 and one understands why many

tourists never reach Anatolia. But that too is a rich realm for the visitor. In the winter one can ski on Mount Olympus above Bursa; in the spring one can follow the camel fighters down the west coast; in the early summer watch the wrestlers covered with olive oil who fight on the fields of Thrace; and through the summer until late October one can swim in the sun of the south and south west.

Anatolia may have as many Greek ruins as Greece and as many civilisations as contradictions yet the visitors who come each year spend an average of only one-half the days of those who visit Italy or Spain and spend much less than half the money. The low foreign exchange earnings—\$108 per tourist in 1976 according to IMF figures—reflect the leakage to the flourishing black market in foreign exchange, as well as the way many tourists come on cruises. An unpublished report by the Ministry of Tourism, the source of many of the statistics

quoted here, shows that in 1976 21.8 per cent of the tourists came by ship, setting foot in Istanbul or on the east coast for only a few hours of mosques and bazaars. In many cases the tourist had no choice. Turkey in total has a hotel stock more suitable for a Mediterranean island than for a nation washed by four seas.

In March this year the number of beds in "luxury and first class hotels"—the Turkish categories corresponding to tourist class and better—was 49,167. There were a further 7,851 beds in "first class hotels" and 5,139 beds in A class holiday villages: these include Club Mediterranee facilities. West Germans, French and Americans head the tourist list.

Many of the tourists who come are students happy to hitch and camp. But the 62,257 beds listed above are still inadequate for visitors. Last year in July, the peak month, there were 232,000 visitors competing for these beds with each other and with the Turks. The latter have now begun to travel in a way inconceivable even five years ago. Yet, in the cities, there are few major hotel projects in the pipeline meaning other to update the 1953 and that the lack of facilities discourages travel agents and will come—as will the problems in communications and the lack of personnel. The newspapers' columns frequently host articles complaining of the lack of attention to this sector. Mr. Enol Sabanci, Managing Director of the rapidly growing Akbank, stresses the need to develop tourism in order to promote development in other sectors.

But the travel agents are far from optimistic. Mr. Ayden Turaman, President of the Turkish Travel Agents Association, explains that the problem is both sociological and economic. Ten years ago tourists were widely considered to create religious and social problems. Now these attitudes have disappeared from the tourist areas in the south and west but there still remains a problem of mentality. To some people, becoming a tourist host country is akin to giving our women to the Sixth Fleet. As for the development plans, they were

based on creating self-sufficiency, not exploiting new sources of foreign exchange. Tourism was virtually excluded from the plans. The necessary infrastructure has not been developed.

Only 1.6 per cent of the investment foreseen in the 1973-79 Development Plan was in tourism. One reason why private investors avoid this sector is that there are far better returns on capital in other sectors, even though the Tourism Bank has provided capital at interest rates of 4 per cent, compared with the commercial interest of 14 per cent. This capital is mainly used for small projects, but Mr. Kemal Öztin, Director of Tourism at the Ministry of Tourism and Information, says that the capital is to be increased.

The Director is the first to admit the problems tourists face, whether it be the attitudes of customs officials or the cleanliness of public places. But he for these beds with each other and with the Turks. The latter have now begun to travel in a way inconceivable even five years ago. Yet, in the cities, there are few major hotel projects in the pipeline meaning other to update the 1953 and that the lack of facilities discourages travel agents and will come—as will the problems in communications and the lack of personnel. The newspapers' columns frequently host articles complaining of the lack of attention to this sector. Mr. Enol Sabanci, Managing Director of the rapidly growing Akbank, stresses the need to develop tourism in order to promote development in other sectors.

URBANISATION HAS been a succeeding central governments. The authorities cannot dec-

recent flower in Turkey—and latter are given minimal powers, this with the result that is proving an increasingly ugly one. Unplanned and uncared for, the nation's cities have become a challenge to normal life: their problems reaching crisis proportions as their shelter growth continues.

In 1950 there were 3.6m. people living in towns of over 10,000 inhabitants. To-day this figure is 18m. and there is every indication that the growth will continue.

The city centres are already a snarl of traffic, with rents soaring because of the housing shortage, shopping a matter of battling rather than choosing, telephone lines so rare that they cost up to £1,000 on the black market—the price for a telex can be £15,000—and street sellers jostling with the ever-growing queues for the crowded buses, minibuses and shared taxis which jolt their way to the outlying bidovilles.

These shanty towns, known here as gecekondu, now house between 50 and 60 per cent of those living in the major cities. They lack electricity and sewerage. Water often comes from a well and the houses themselves are usually no more than shacks. A practice dating back to Ottoman times means that if the house was built overnight—the Turkish word means just that—then the authorities will let you stay. But in September five people were killed in Umraniye in Istanbul when police shot at a crowd protesting at the arrival of bulldozers to knock down their homes.

Such incidents highlight the social problems which have grown with the gecekondu. The Minister of Interior, Mr. Köktürk Ozal, stresses that when villagers come to the cities they lose their moral and social stability. They become free elements. You cannot know what will happen to them. We must do much more to keep villagers in the country.

But for the time being the government is doing little in this direction. Instead, lack of finance and planning are only making the existing problems more acute. One major problem is the running war between

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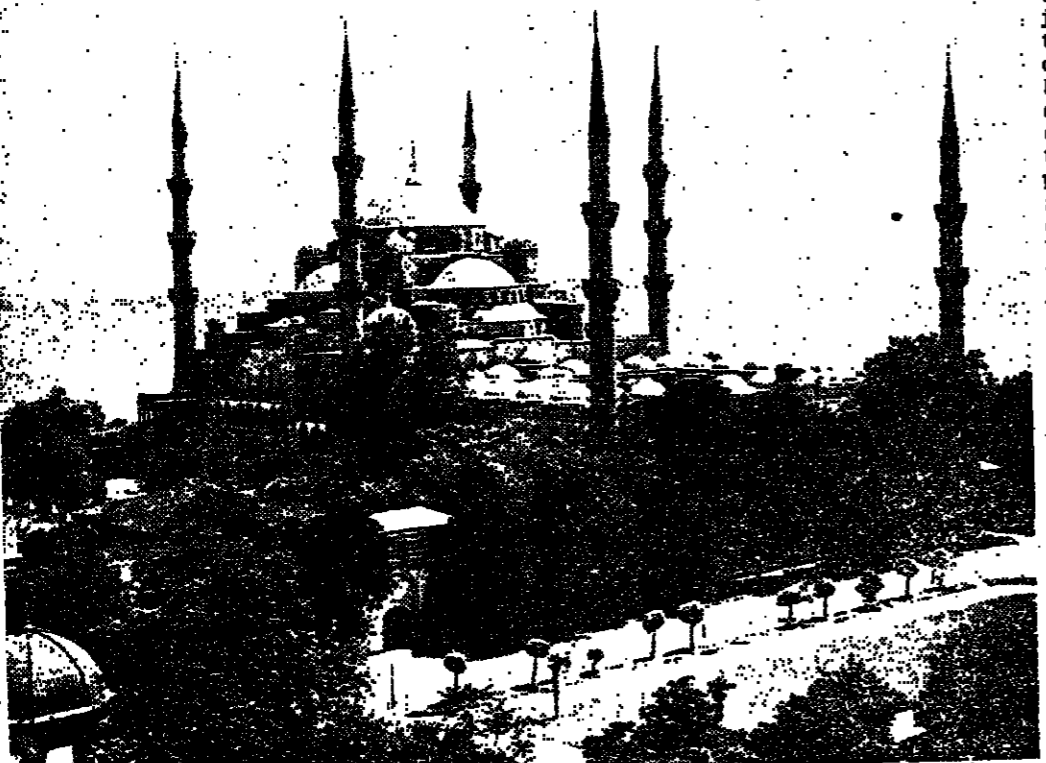
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Problems in the cities



The beautiful blue Mosque in Istanbul

Pressing

Such problems have led to delays in tackling such pressing issues as the growing health and safety hazards which both Istanbul and Ankara have become. A dolphin was recently unfortunate enough to wander from the Bosphorus into the Golden Horn. It was soon found dead, poisoned by the industrial waste and sewage which pours into the once Sweet Waters of Europe. "It is a sewer, it stinks," the mayor says. A law helping the municipalities to tackle this has been waiting for parliamentary approval for years. As for an offer made by the World Bank, after long delays plans for a sewage system are now going ahead.

In Ankara, too, similar problems exist in the shape of the cloud of poisonous gas which descends on the city when houses start using their lignite burners. This lasts throughout the winter and is a foot choking affair, with the pollution levels some five times the internationally-accepted safety limit.

Altinyıldız



A BIT OF A MOUTHFUL ISN'T IT?

Yes, but if you're interested in mohair you'd better get your tongue round it because the best mohair tops, mohair yarns and mohair fabrics in the world are being made by Altinyıldız.

For the past twenty years the company—the biggest privately owned textile plant in Turkey—has been producing and exporting mohair of an extraordinarily high quality. It is now being used in the fashion houses of Paris, London, Milan and New York.

But isn't that what you would expect? After all mohair was being exported to Britain from Turkey over three hundred years ago when it was much in demand for cloaks. The fleece of the Angora goats on the Anatolian plateau was being woven into the finest mohair then as it still is today.

Moreover, just as in those days the sultans used the finest local fabrics for their own robes so today the best dressed men in Turkey can find Altinyıldız fabrics styled in suits of international elegance at BEYMEN, a member of the Altinyıldız group.

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مكازم الأصيل

Soviet skills and failures

BY DAVID LASCELLES

20 YEARS ago the West was astonished by the launch of the first satellite, the Sputnik. It was not only a great technological achievement, but it was also a political one. It showed the West that the Soviet Union was capable of doing things that it was not thought capable of. It was a shock to the West, and it was a challenge to the West. It was a sign that the Soviet Union was becoming a superpower.

The Russians are good at what has been happening in the West. They have been able to catch up with the West in many areas. They have been able to do things that the West has not done. They have been able to do things that the West has not thought of. They have been able to do things that the West has not been able to do. They have been able to do things that the West has not been able to do.



T-72 tanks on Red Square on Revolution Day: they could restore a Soviet lead.

In chemicals, the volume of output is still very small by western standards, and the pattern of production comparatively uncomplicated. In the plastics industry, for example, the Soviet Union has not been able to catch up with the West. It is still a long way behind. It is still a long way behind. It is still a long way behind. It is still a long way behind. It is still a long way behind.

The most striking weakness of post-war Soviet technology is in electronics and instrumentation. It is in electronics and instrumentation. It is in electronics and instrumentation. It is in electronics and instrumentation. It is in electronics and instrumentation.

to-day it is that their simpler designs facilitate production in series. That would weigh heavily in favour of the West. It would weigh heavily in favour of the West. It would weigh heavily in favour of the West. It would weigh heavily in favour of the West. It would weigh heavily in favour of the West.

The Russian habit of thinking bigger but not better seems to extend into the military and space fields, though information is scantier for obvious reasons. In general, the early years of the space effort were quite exceptional, and the Russians have since fallen some way behind the U.S. They are still ahead with the overall numbers and weight of space launches, but they no longer have the most powerful rockets nor the most advanced space systems.

THE TECHNOLOGY RACE

DEVELOPMENT OF NUMERICALLY CONTROLLED MACHINE TOOLS

Start of research	1949	2	REACHED LAG BEHIND BY USSR IN U.S. (years)
First prototype	1958	6	
Start of industrial production	1965	8	
First machining centre	1971	12	
First third-generation control system	1973	7	
First use of computer for control	1973	6	

LAG OF BEST SOVIET COMPUTER BEHIND BEST U.S. COMPUTER (years)

1955	4	1967	4
1960	9	1970	7
1965	14	1973	10

(Criterion: Operations per second.)

LANDMARKS IN THE DEVELOPMENT OF ICBMs

	YEARS'	LAG (-) OR REACHED LEAD (+) BY USSR IN OVER U.S.
First nuclear chain reaction	1946	-4
First production reactor in operation	1948	-4
First atomic explosion	1949	-4
First thermonuclear explosion	1953	-1
First explosion of a deliverable thermonuclear device	1953	+1
First M-IRBM test	1953-54	+3
First M-IRBM operational	1955	+3
First ICBM test	1957	+1
First ICBM operational	1960	-1
First MRV test	1958	-5
First MRV test	1973	-5
First MIRV ICBM operational	1974-75	-4/5
First solid propellant ICBM operational	1968	-6
First cold launched ICBM operational	1975	+

Not yet achieved in the U.S.

Managerial strategy

Mr. M. Borak
What we would like to hear from the leaders of managerial classes at the conference was some new strategy, an attempt to break out of the out-moded confrontation and to set up more effective machinery to reach a solution of a dispute.

Letters to the Editor

British cars are in the main old established businesses who offer poor exchange rates for motor cars. They are full of recommended prices, etc. Against importers of foreign cars who in every instance offer a better deal and have enthusiasm to sell.

End exchange control

From the Managing Director, Empexion
The incredible decision to prevent the finance of foreign trade in sterling was advised to us in a five-page notice from the Bank of England last November.

To-day's Events

Mr. John Methven, CBI director-general, speaks at Machine Tool Trades Association annual dinner, Grosvenor House, W.1.
PARLIAMENTARY BUSINESS
House of Commons: Scotland Bill, committee.

registrations (October).
COMPANY RESULTS
Amalgamated Metal Corporation (third quarter). Associated Newspapers (half-year). London and Northern Group (half-year). Metal Box (half-year). Scottish and Universal Investments (half-year). Tesco Stores (Holdings) (half-year).
COMPANY MEETINGS
AB Electronics Components, Cardiff, 11.30. Barratt Developments, Manchester, 12. Beckman (A.), Westbury Hotel, W.12. Capsons, 27, Hill Street, W.12. Dayway Day, 31, Grosvenor Street, E.C.11.30. Medminster, Abercorn Rooms, E.C.12. Miar River Rubber, 10-15 Mincing Lane, E.C.4.
OFFICIAL STATISTICS
Construction new orders (September). Brick and cement production (October). New vehicle

Forecasts from the Treasury

From Dr. Jeremy Bray, M.P.
Sir—Samuel Brittan is not entirely correct in his account of Treasury forecasts and their publication (London, November 21). My purpose in requiring publication was to expose the absurdity of expecting the Treasury either publicly or in private, to line up on a single forecast. The publication of forecasts of alternative assumptions—of model as much as policy and exogenous assumptions—was not, I believe, Sir Douglas Allen's intention, but my own.

The desire for space

From Mr. G. Wansborough.
Sir—Michael Cassell's article of November 16 on building land is exceedingly interesting. From the point of view of society, though not of the builders, I am sure there would be great gain in available space if a reasonable surplus of housing supply over demand were achieved. It is very obvious that, until this exists, every occupant, regardless of rent, is being denied the space he has a right to. The results of this, of course, are twofold: (a) that lots of people, notably the elderly, occupy much more space than they need—and a factor which is important but apt to be overlooked is that as people get old there is a very natural reluctance to face the formidable difficulties of moving; (b) people are exceedingly reluctant to look at jobs in different districts which would involve them in house moving. In this again a factor is overlooked, namely that, apart from the doubt about availability of accommodation and the difficulty of moving, there is a natural shyness about what sort of neighbours they would find in a totally different district.

Politics in Europe

From Mr. John Biggs-Davison, M.P.
Sir—It is not many years since anti-Marketiers were warning us of the cheap Continental labour that would invade Britain. Mr. D. James raises (November 18) that other Euro-spectre: Communism taking over the Community. It is a danger; but when our Continental partners behold across the narrow water Mr. Kitson and Mr. Scargill; striking firemen; discontented police; disgruntled armed forces cut and cut and again to the dismay of NATO; "moderates" and Marxists of the ruling party committed to another extreme programme of "irreversible" socialism and the sapping of the foundations of freedom by those agents of revolutionary change, inflation, excessive taxation and proliferating bureaucracy, they may conclude that there is a British as well as a French or Italian infection.



Alec Duff, Transport Manager of Security and Courier Express.

Motor dealers' attitudes

Mr. F. Stark
The only surprising thing about the letter from Pro-Griener and Mr. Chapman (November 21) is that it should so long and need research cover one of their reasons for greater foreign penetration of our car market. In the time our manufacturers began to disfranchise numbers of their dealers 1960s it was obvious that dealers would not just shop and go away, but seek alternative franchisees and the only ones left to were from foreign manufacturers.

Trying a

Mr. R. Kemp
Comments from Pro-Peter Griener and Mr. J. van (November 21), on dealers' attitudes give a résumé of the position. I have had friends and I have had dealers who have changed to import cars. The franchise holders of one, stranded in that limbo of

"We're extremely vehicle dependent and we're growing all the time. For flexibility as well as reliability we chose Camden."

Not that Alec Duff didn't take a close look at other people before he did his deal with Camden. In the first place any transport system had to fit him like a glove, and with 25 depots all over the country, it's no baby's mitten. In the second place his operation is constantly expanding. Keeping up with, and servicing, his changing transport requirements would leave most contract hire and leasing companies out of breath. But not Camden. Because, having handled all the financial arrangements for you, having worked out the best investment and tax savings, having stabilised your on-going costs, and having delivered the transport mix that exactly suits your requirements, we know we've put you on the right road. Then we keep up with you.

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COMPANY NEWS + COMMENT

ISSUE NEWS AND COMMENT

DIVIDENDS ANNOUNCED

Table with columns: Company, Current payment, Date of payment, Corro-spending div., Total for year, Total for year. Lists companies like Atlanta, Baltimore, Bradford Prop., etc.

Dividends shown pence per share net except where otherwise stated. † Equivalent after allowing for scrip issue. ‡ On capital increase by rights and/or acquisition issues. § Gross throughout. ¶ Total p/p forecast at time of March re-introduction. * Additional 0.0439p for 1977-78. † Includes additional 0.075p. ** Additional 0.0839p "A" share for 1976-77.

Powell Duffryn up 24% at six months

REPORTING pre-tax profits up by 24 per cent. from £3,040m to £3,750m for the half year to September 30, 1977, on turnover of £155,633m, against £122,233m, the directors of Powell Duffryn say...

INDEX TO COMPANY HIGHLIGHTS

Table with columns: Company, Page Col., Company, Page Col. Lists companies like Aronson (A.I.), BOC Intl., Bradford Property, etc.

The interim dividend is raised from 2.75p to 3.5p net per 30p share. In July, when a one-for-five rights issue was announced, the directors forecast total dividends for 1977-78 of 10p net compared with 7.88p.

Trading profits were split as to: engineering £3.4m, 122.1m, and 23.5m. Building services contracting, less £450,000 (£205,000 and £245,000); pollution control, less £173,000 (£143,000 profit and £30,000 loss); shipping, wharfage and transport, £12,261m (£2,044,000 and £2,211m); oil and chemical storage, £552,000 (£277,000 and £1,554); fuel distribution, £758,000 (£223,000 and £2,110); quarries, £1,261m (£452,000 and £525,000); and timber and builders' merchants, £88,000 (£12.3m and £22.2m).

Overseas losses hit J. H. Dennis

WITH LOSSES of £30,000 coming from overseas subsidiaries compared with profits of £23,000 in 1976-77, the pre-tax surplus of engineers J. H. Dennis and Co. fell from £392,298 to £301,845 for the year to August 31, 1977, after £194,200, against £197,000, for the first half.

Table showing financial data for J. H. Dennis and Co. including turnover, profit, and dividends.

British Assets prospects

AGAINST A background of accelerating dividend growth in the past two years, the directors of British Assets Trust are optimistic of dividend growth for shareholders. Sir Alistair Blair, chairman says in his annual review...

Centreway outlook

Shareholders in Centreway were told by Mr. A. J. Gross, the chairman, at yesterday's annual meeting that he could confirm that prospects for the current year were encouraging. Present indications were that the results for the year would show a material improvement compared with the previous year.

However, he said that the Board did not consider it practicable to make a precise forecast of the results for the year at this stage.

S. Leboff ahead and sees peak

DISTRIBUTORS OF "D-I-Y" products, electrical appliances, radios and electronic equipment, S. Leboff (Fobel) reports turnover ahead from £2m to £2.1m for the first half of 1977 and an advance in profits from £762,248 to £876,614 before tax of £455,839 compared with £396,369.

Holden share placing

Arthur Holden, a public company since 1969, is obtaining a listing on the London Stock Exchange through a placing of 1m Ordinary 25p shares at 33p. The placing has been handled by the brokers Sabin, Bacon White and Co.

Fairdale Textiles better

WHOLESALE MANUFACTURING clothing and cloth merchants Fairdale Textiles improved earnings for the half-year to July 30, 1977, from a depressed £137,412 to £166,000, subject to tax of £86,500 against £139,000.

JFB to raise £9.7m.

Sheffield based steel group Johnson and Firth Brown is seeking to raise £9.7m. by a one-for-five rights issue at 50p to finance any upturn in activity and other opportunities as they may arise.

At the same time the group forecasts a total dividend of 4.6883p net payable on the capital as increased by the rights issue in respect of the year ending June 30, 1978 - a rise of 10 per cent.

Variable local bonds

The first ever local authority short-term floating rate bond, the London District Council is raising £1m by the issue of 84 per cent, bonds at par due on November 21, 1979.

Transparen Paper down at halfway

DESPITE AN increase in turnover from £9,838m to £11.11m, pre-tax profit of Transparen Paper fell by £58,000 to £310,000 in half year ended October 1, 1977.

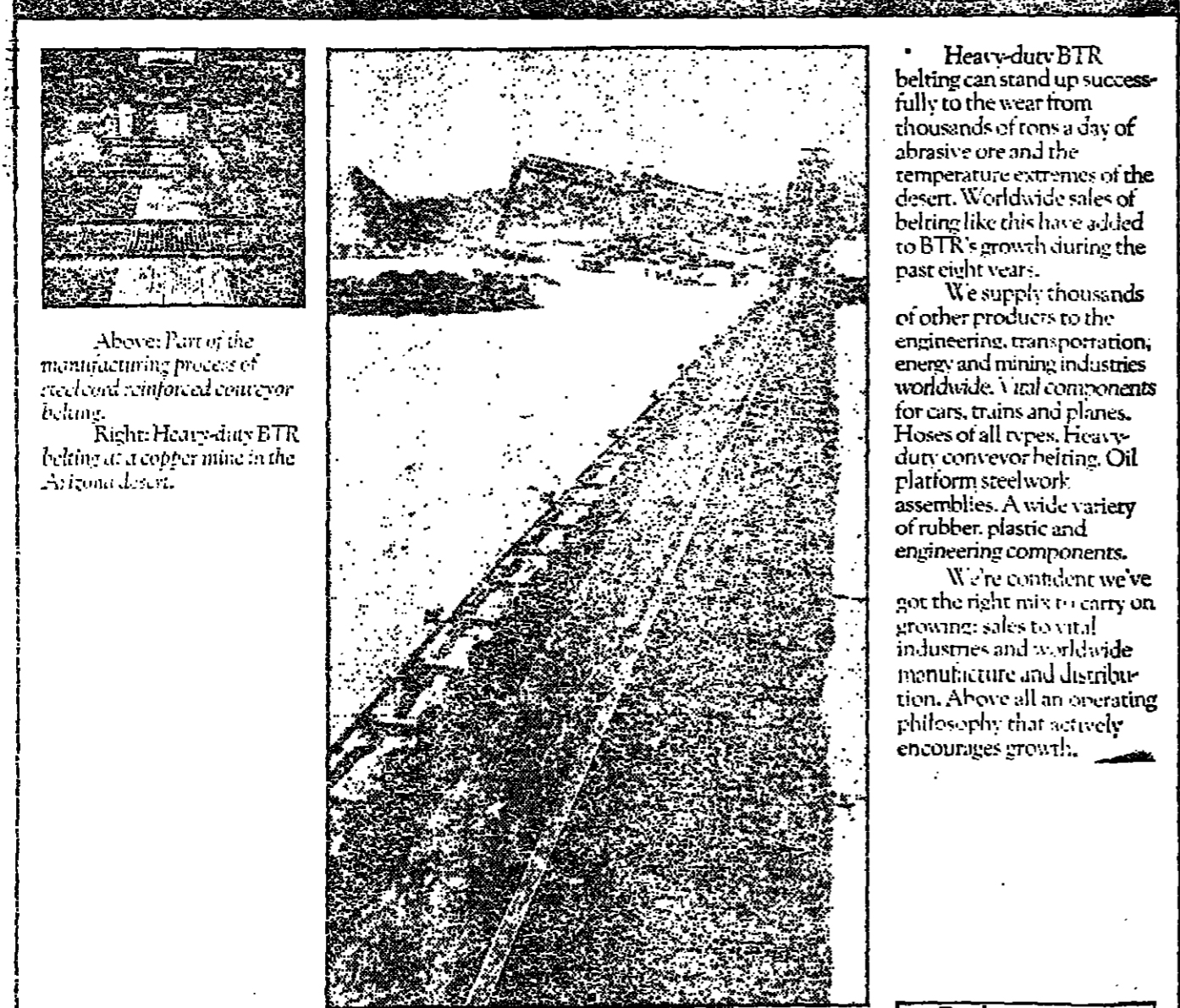
C H Ind. first half doubled

INCLUDING A contribution from the newly acquired Beaver Group, the profit of C H Industrial has more than doubled from £235,927 to £463,091 in the six months to September 30, 1977.

Transparen Paper down at halfway

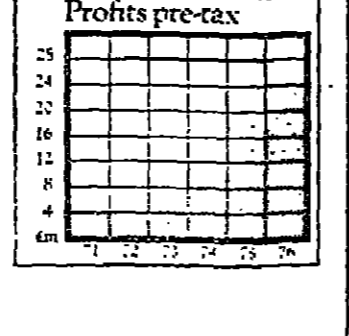
DESPITE AN increase in turnover from £9,838m to £11.11m, pre-tax profit of Transparen Paper fell by £58,000 to £310,000 in half year ended October 1, 1977.

A good belting in the desert helps us grow even more



Above: Part of the manufacturing process of steel cord reinforced conveyor belting. Right: Heavy-duty BTR belting at a copper mine in the Arizona desert.

BTR stands for growth. BTR Limited, Silvertown House, Vincent Square, London SW 1P 2PL.



Bradford Property

PROFITS of Bradford Property Trust declined from £1,747m to £1,686m in the six months ended October 31, 1977.

Midterm rise for Evans of Leeds

Property investment and development group Evans of Leeds increased pre-tax profit from £309,497 to £407,321 in the half year to September 30.

Charterhouse Japhet Pension Fund Management

Charterhouse Japhet have been merchant bankers and advisers to medium sized companies for nearly one hundred years. Five years ago we started to manage pension funds. Now we manage 22 funds with assets in excess of £100m.

ARTHUR HOLDEN & SONS LIMITED

SHARE CAPITAL: Authorised £2,500,000, No. 10,000,000. Issued and now being issued fully paid £7,054,040, 1,763,510 Ordinary Shares of 25p each.

Vertical text on the right edge: 'Study', 'Recognized Non-Degree', 'FIN', 'OFFICES'.

NOTICE OF REDEMPTION

Consorzio Di Credito Per Le Opere Pubbliche

(Public Works Credit Consortium)

Public statutory body established by Decree-Law No. 1627 of September 2, 1919, converted into Law No. 488 of April 14, 1921

U.S. \$20,000,000 4 7/8 % 20-Year Guaranteed Bonds of 1978

Special Series Due January 1, 1990 Guaranteed by The Republic of Italy

NOTICE IS HEREBY GIVEN that pursuant to Article 3 (a) of the Terms and Conditions of the above-mentioned Bonds and in conformity with the Paying Agency Agreement...

Serial Numbers of the Bonds to be redeemed are set forth below in groups from one number to another number, both inclusive:

Table with 4 columns of Serial Numbers: 51 through 100, 17101 through 17150, 32851 through 32900, 40601 through 40650, etc.

Interest on the Bonds to be redeemed will cease to accrue from and after January 1, 1978. On such date the redemption price will become due and payable on each of said Bonds...

Agency of The Chase Manhattan Bank (National Association), Special Bond Services, 2 Broadway, 2nd Floor, New York, New York 10004

Banca Commerciale Italiana S.p.A., Piazza della Scala, 6, Milan, Italy

upon presentation and surrender of said Bonds with all coupons attached maturing after said redemption date (Coupon No. 17 and subsequent). In the event that any such coupon is not so attached, the amount of said coupon will be deducted from the redemption price...

Consorzio Di Credito Per Le Opere Pubbliche By The Chase Manhattan Bank (National Association), American Paying Agent

Dated: November 23, 1977.

Welsh gem in the coal industry

By JOHN LLOYD

LAST WEEK, at about the same time as Mr. Anthony Wedgwood Benn, the Energy Secretary, was pointing out to his Conservative "shadow" that productivity in the mines was not merely a question of paying a bonus on extra output...

ing old pits have to fight demoralisation as well as nature. Betwys will be different. It will produce around 1m. tons of high-grade anthracite a year, and it will have an output per manshift (OMS) of five tons, which is almost two-and-a-half times more than the national average of 43 cwt.

On schedule It is this "good feeling" about Betwys which is to a significant extent responsible for the pit being on schedule.

So the problem of how to cope with the massive machinery to be fitted into place in shafts less than five feet high takes on a special urgency. If a satisfactory solution is not found, the work will slow down, the target opening date will be over-run, and the mine will be losing money at the rate of £200,000 a week.

The men in the hut were fully conscious of all this, and derived immense satisfaction from it. They have all worked in the difficult South Wales mines, where thin seams and massive geological faults mean that the area has by far the lowest productivity rate of any coalfield in the country. They also know from experience that a week in the current debate over...

productivity. The issue tends to be reduced to the ability, or willingness, of the miner to work harder. But in South Wales, it is the resistance to the earth, and its reluctance to yield up the coal—which is paramount.

Most of the major collieries in the area date from the 19th or early 20th centuries. Though many have been improved, and the increased investment of recent years has meant that even greater improvements have been embarked on, there still are many pits which hardly justify their existence in economic terms.

Average output per man per year in all U.K. coalfields is about 440 tons. Only three of the area's 30 large collieries surpass the figure, while three produce less than half that, and most produce considerably less than 400 tons per man-year. Output can be improved only at great expense.

But that expense is being undertaken, and especially in those pits which produce anthracite, the popularity of which as a smokeless fuel has been steadily rising.

South Wales is the only anthracite field in the U.K., and it is also the largest in Europe. But its output has fallen so rapidly since the early 1970s that the NCB has been forced to import increasing amounts of anthracite imports.

Four or five years ago, the South Wales anthracite field, which stretches from Glynneath in the east to Gwendraeth in the west, produced about 3m. tons of coal a year, half of it from opencast pits and the rest from deep pits. Since then, output has slid dramatically to around 2m tons a year, for reasons which have very little to do with the miners.

Opencast sites are now difficult to get. Opencast working scrapes the topsoil off huge tracts of land, leaving black scars across the hillsides, often next to towns and villages. The people have had enough, and permission to work is often withheld.

High hopes It has already done so in some other mines, but Betwys is the gem, taking the largest slice of investment. Mr. Philip Weekes, the South Wales area director, has promised that once the pit is on stream, there will be no further need for anthracite imports.

Beyond that, Betwys has great value to the National Coal Board both as a technological pioneer, and as a symbol of the best equipped mine in the country, with semi-automatic control systems at the face, television monitoring and computer-controlled conveyors. It has already attracted interest from mining engineers from Poland and China, who have been proudly shown round the mine by Mr. Roy Barfoot, the project engineer.

Mr. Barfoot and Mr. Don Roberts, the pit's general manager, keep in constant, almost obsessive touch with the miners.

"If I do not go down the pit to see what is the matter when something goes wrong, they will say I don't care. If I don't know every man's name soon after working begins, they will say I don't care," says Mr. Roberts. "I know how they think. I am them."

But Betwys's symbolic value is perhaps its greatest contribution to the NCB, at least in the short term. It will be the first new mine to be opened as a result of the investment agreed in the 1974 "Plan for Coal." At a time when the Board needs to be seen to be active, and unbowled by the miners' rejection of the productivity deal, it is a sign of the faith it continues to have in even the most difficult and unproductive areas.

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Ropner up midway but still sees shortfall

TURNING HIS July forecast into a reality, Ropner, chairman of Ropner, has told holders in his statement that after extraordinary items, which include a gain on the sale of an investment, the net available balance is £1.18m, achieved in the first half.

He says that the company has made a substantial advance in the engineering division—£694,000 to £257,000 at the level—and higher investment income, profits before tax of £1.5m, to £1.3m in the first half.

Profits from the ship side dropped from £287,000 to £200,000, while interest payable rose to £200,000 from £150,000.

Mr Ropner says that her interest charges on ship loans will have to be borne in the second half, the chairman says.

Mr Ropner reports that the Lackenby entered service in the second half and will therefore contribute to the profit in the second half.

Mr Ropner says that the ship side is now ready after a period of repair, and that it will continue to operate at a profit in the first half.

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BOARD MEETINGS

The following companies have notified their shareholders of board meetings in the first half of 1977. Dividends are shown in pence unless otherwise stated. Figures are for the first half unless otherwise stated.

Company	Date	Dividend
Amalgamated Industrial	Nov 24	10p
British Rubber and Engineering	Nov 24	10p
Applied	Nov 24	10p
Carda Engineering	Nov 24	10p
Dunlop	Nov 24	10p
London and Midland Industrial	Nov 24	10p
Pratt & Whitney	Nov 24	10p
Shire	Nov 24	10p
Whitbread	Nov 24	10p
Edson and Robbins	Nov 24	10p
Leeds and District Driers	Nov 24	10p

Big rise in Hambros earnings

IN THE six months ended September 30, 1977 group earnings of Hambros, the banking concern, are well above those for the corresponding period of 1976.

The directors say that the results from the merchant banking operations show a substantial increase but the favourable conditions present in the period—principally falling interest rates—are unlikely to continue to the same extent in the second half.

Net attributable profits for 1976-77 amounted to £7.4m.

The interim dividend is raised from 28.5p to 38.5p per £10 share (£2.50 paid) including a third interim of 0.875p for 1976-77 consequent on the change in the tax rate.

The directors say that were they free to do so, they would announce overall dividend payments for 1977-78 higher than those currently permitted. Since, however, dividend control is expected to apply to the whole of the group's dividend year 1977-78, limiting the total increase to 10 per cent, the Board has decided to allocate the entire permitted increase to the interim with the result that this dividend is being raised by some 30 per cent above last year's level.

It must be expected that the final, which will be announced in June 1978, will have to remain at the same rate as the 56.75p paid last year.

Half Year	1977	1976
Turnover	2,910	2,786
Trading profit	598	441
Investment income	54	24
Interest	57	32
Tax	264	190
Net profit	241	148

Macdonald Martin

ON TURNOVER of £3.2m, compared with £2.7m, pre-tax profits of Macdonald Martin Distilleries last year were £1.1p and pre-tax profits came to £230,847.

The half-year profits do not include a pre-tax capital gain arising from the sale of the lease of 180 Sloane Street showroom amounting to £120,000.

First half 1977 1976

Turnover	£3,200,000	£2,700,000
Profit before tax	133,390	118,600
Tax	63,200	38,000
Net profit	69,200	80,600
To shareholders	3,200	3,000
Dividend	10,000	10,000
Interim dividend	26,313	24,800

Nationwide Leisure confident

Confidence of Nationwide Leisure in the future of the company is high, says Mr. John, chairman, in his statement to shareholders.

Mr. John says that the company has achieved a successful growth in the first half of the year, and that the company is confident of continuing this growth in the second half.

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Midterm increase by Sekers

ON TURNOVER of £3.3m, against £2.8m, profits of Sekers International rose from £118,600 in the first half of 1976 to £133,390 for the first half of 1977, subject to tax of £63,200 compared with £38,000.

The directors say they expect an increase in trading profits for the full year.

First half earnings are shown to be ahead from 1.03p to 1.15p per 10p share and the interim dividend is lifted from 0.5p to 0.875p.



BBA is a group of many parts.

Some are fitted as original equipment on Europe's most beautiful babies.

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Honeywell

Executive Requesting Data	
Name	_____
Title	_____
Organization	_____
Address	_____
City	_____
County	_____
Area Code	_____ Telephone Number _____
Building Data	
Building name	_____
Address	_____
City	_____
County	_____
Person in charge of physical plant	_____
Gross floor area heated or cooled	_____ sq. m.
Number of floors, including basement	_____
Type of building:	Office <input type="checkbox"/> Store <input type="checkbox"/> College <input type="checkbox"/> Apt.-Hotel <input type="checkbox"/>
	Church <input type="checkbox"/> Industrial <input type="checkbox"/> Hospital <input type="checkbox"/> School <input type="checkbox"/>
Other	_____
Energy History	
Year of energy history 19 _____	
Number of months covered _____	(maximum 12 months)

Total amount of electricity used _____	kwh					
Total cost of electricity £ _____						
What % of the above electrical cost is demand charges _____	%					
Total amount of natural gas used _____	cu. m. or 100 cu. ft. <input type="checkbox"/> therms <input type="checkbox"/> 1,000 cu. ft. <input type="checkbox"/>					
Total cost of natural gas £ _____						
Total amount of fuel oil used _____	lbs					
Total cost of fuel oil £ _____						
Type of fuel oil _____						
Total amount of purchased steam _____	cu. m.					
Total cost of purchased steam £ _____						
Total amount of purchased chilled water _____	cu. m. or million lbs <input type="checkbox"/> ton/hrs <input type="checkbox"/>					
Total cost of purchased chilled water £ _____						
Total cost of fuel or purchased water for heating only _____	£					
Is this an all-electric building? Yes <input type="checkbox"/> No <input type="checkbox"/>						
Space Conditioning Equipment and Schedules						
	Double Deck or Multiple Systems	Fuel Cell Systems	Single Zone Htg. and/or Cooling Systems	Variable Air Volume Systems	Panometer Induction Systems	Packaged Room Heating and/or Cooling Units
Total wall air handling fans _____	kw	kw	kw	kw	kw	kw
Total cu. m./hr handled _____	cu. m./hr	cu. m./hr	cu. m./hr	cu. m./hr	cu. m./hr	cu. m./hr
Minimum % of outside air _____	%	%	%	%	%	%
Total hours HVAC units run each week _____	hrs	hrs	hrs	hrs	hrs	hrs
Total hours per week spaces served are fully occupied* _____	hrs	hrs	hrs	hrs	hrs	hrs
Total cooling capacity for HVAC units having internal reeling compressors _____	kw btu/hr tons	kw btu/hr tons	kw btu/hr tons	kw btu/hr tons	kw btu/hr tons	kw btu/hr tons
Is building occupied on weekends? Yes <input type="checkbox"/> No <input type="checkbox"/> Number of holidays and/or shutdown days per year _____ days						
Temp. normally maintained during cooling season _____ °C Heating season daytime temp. (normal setting) _____ °C						
Is the temperature set back at night during the heating season? Yes <input type="checkbox"/> No <input type="checkbox"/>						

* Do not include hours for janitorial service or casual overtime.

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NIPPON MEAT PACKERS, INC. (CORP) Referring to the development of June 17, 1977... AMSTERDAM DEPOSITORY COMPANY N.V.

REFINANCIA DE PETROLEOS DEL NOROESTE S.A. (CORP) Loan of \$1,000,000... AMSTERDAM DEPOSITORY COMPANY N.V.

NOTICE TO THE HOLDERS OF EUROPEAN AIRLIFT HELICOPTERS (CORP) KOMATSU D., TOKYO We are pleased to inform that copies of the 1977 Annual Report...

BRAZILIAN EQUITY HOLDINGS S.A. Referring to the development of June 17, 1977... AMSTERDAM DEPOSITORY COMPANY N.V.

EUROPEAN DEPOSITARY RECEIPTS REPRESENTING COMMON STOCK OF HONDA MOTOR CO. LTD. A distribution of 40,000 new shares...

Q.P. CORPORATION Notice to holders of Euro2000 Depository Receipts...

BEERS CONSOLIDATED MINES (Incorporated in the Republic of South Africa) NOTICE OF DIVIDENDS DECLARED BY BEERS CONSOLIDATED MINES (CORP)

QUEBEC CENTRAL RAILWAY COMPANY (Incorporated in Canada) In preparation for the presentation of the 1977 Annual Report...

PARLIAMENTARY NOTICE A PARLIAMENTARY NOTICE, INTENDING TO CALL A MEETING OF THE GENERAL MEETING OF THE COMPANY...

IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court... ASHLEY KALINS TRAVELL & CO.

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IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court... ASHLEY KALINS TRAVELL & CO.

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IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court... ASHLEY KALINS TRAVELL & CO.

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No. 003441 of 1977. In the HIGH COURT OF JUSTICE Chancery Division Companies Court... ASHLEY KALINS TRAVELL & CO.

No. 003442 of 1977. In the HIGH COURT OF JUSTICE Chancery Division Companies Court... ASHLEY KALINS TRAVELL & CO.

No. 003443 of 1977. In the HIGH COURT OF JUSTICE Chancery Division Companies Court... ASHLEY KALINS TRAVELL & CO.

No. 003444 of 1977. In the HIGH COURT OF JUSTICE Chancery Division Companies Court... ASHLEY KALINS TRAVELL & CO.

No. 003445 of 1977. In the HIGH COURT OF JUSTICE Chancery Division Companies Court... ASHLEY KALINS TRAVELL & CO.

BIDS AND DEALS

Trafalgar moves in for Fairey

BY KEITH LEWIS. Trafalgar House, the property, shipping and publishing group, has made its expected move to acquire the non-aviation interests of the Fairey engineering group...

MPs support Crane in U.S. fight

Crane Fruehauf, the Norfolk trailer manufacturer, has gained the support of a number of Members of Parliament in its opposition to the take-over bid from Fruehauf Corporation...

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ALEX. HOWDEN IN \$2M. U.S. DEAL

Alexander Howden, an international investment broker, has made an agreed bid of \$2 million for an American broker, Southwestern Aviation Underwriting Corporation...

Delyn now in profit

In the document setting out the full details of the Welsh Development Agency's investment in Delyn, the group reveals that in the second half of 1976-77 it achieved an operating profit of £142,000...

GEORGE DOLAND

In connection with the Maurice James offer for George Doland, acceptances have been received in respect of 1,344,273 shares...

BARROW HEPBURN

Barrow Hepburn Group has announced the holding of 813 Lancashire shares in Yorkshire Lancashire Investment Trust...

NOTICE TO HOLDERS OF MATSUSHITA ELECTRIC INDUSTRIAL CO. LTD.

Notice is hereby given, pursuant to the requirements of Section 94(1) of the Companies Act 1947...

MINING NEWS

Canada may soon lift uranium embargo

BY PAUL CHEESBRIGHT. THE PROSPECT of the Canadian Government lifting its uranium embargo on European countries comes closer to-day when talks start in Ottawa between the Canadian Government and Dr. Guido Brunner...

Canadian gold earnings rise

DESPITE THE current fall in the price of gold, Canadian gold earnings rose in the first nine months of 1977...

URANIUM IN GREENLAND

The past summer's explorations and test drillings have more than doubled the known uranium deposits in southern Greenland...

SHARE STAKES

Park Place Investments-Siemens Hunter has acquired a further 30,000 Ordinary shares and now holds 682,500 (14 per cent.) of the company...

WALTER LAWRENCE

Details of the £4.4m. cash acquisition by Walter Lawrence of Latham and Owen, whose interests are mainly in the manufacture and distribution of cutlery...

CAPARO/SINGLO

The offers by Caparo and Singlo for the acquisition of the 450,000 shares of the company in the event of a lower bid...

THE BRITISH INVESTMENT TRUST LIMITED

Table with 3 columns: Year, Turnover, Profit before Tax, Profit after Tax, Dividend. Rows for 1976 and 1977.

Summary of results for the year ended 30 September 1977. Includes text about development, accounts, and dividend.

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Royal Mail Parcels

INTERNATIONAL FINANCIAL AND COMPANY NEWS

U.S. CORPORATE PROFITS RISE

Wall Street's stony face

BY JOHN WYLES IN NEW YORK

EVERY SILVER lining, as we know, has its cloud, and a 10.3 per cent. increase in the after-tax profits of American corporations in the third quarter of 1977 over the same period last year has not been good enough to dispel some anxieties that the U.S. economy could be running into more difficult weather next year.

To a large extent this is why Wall Street remained stony-faced during the months of October and November, when a number of large corporations were reporting record or near-record earnings—and boosting their regular dividends as a result. Such news is always welcome, but investors have their eyes firmly fixed on the near- and medium-term and many are doubtful that corporate profits are as robust as may at first appear.

The weight of evidence is finely balanced, as has been the case for much of this year in arguments over the future of the U.S. economy. The administration expects a real growth rate next year of 4 to 4.5 per cent., and recent statistics on consumer spending indicate that the economy may finish this year on a rising note. But, ask the nervous, how secure is such a growth rate when inflation is running at between 5 and 6 per cent., and potentially squeezing corporate profits from one side, while rising interest rates could provide pressure from another quarter?

The Commerce Department's figures of third quarter profits offer material to both sides of the occasionally heated and politically important debate on

where the American economy is heartened by the third quarter going. On the one hand, the \$103.7bn. annual rate of net to the fact that manufacturing profits was 10.3 per cent. up on companies did less well than expected in the third quarter of 1977. On the other hand, aggregate profits per cent. drop in earnings compared to the second quarter. The second quarter of this year, which normal seasonal decline is 8 per cent. established an annual rate of cent. Moreover, the manufacturing sector found its profits

A number of large corporations have reported record or near-record earnings in recent weeks, and have raised their regular dividends as a result. But investors have their eyes firmly fixed on the near- and medium-term, and many are doubtful that corporate profits are as robust as may at first appear.

quarter-to-quarter fall since the last three months of 1976.

However, Commerce Department economists are pointing out that the quality of the third quarter profits was better, in that the proportion attributable to stock appreciation fell from about 17 per cent. in the second quarter to about 5 per cent. in the third.

Losses reported by Bethlehem Steel must also be borne in mind. According to Citibank's survey on third quarter profits, Bethlehem's \$534m. loss (incorporating a \$750m. write-off for plant closure) depressed the aggregate figure from about 12 per cent. to just 10 per cent. higher than the year before.

Although Citibank is generally

harder to come by, because its sales were up the relatively large amount of some 13 per cent. on last year's third quarter.

General Motors drew attention to this difficulty last month, when it stressed that despite record sales and profits for both the third quarter and the nine months, net income as a percentage of sales was down from 6.2 per cent. to 6 per cent. This is 1 per cent. less than during the company's previous best year, in 1973.

Citibank calculates that manufacturing companies' profit margins dropped from 5.2 to 5.1 per cent. from the second to third quarters, and from 5.6 per cent. in the third quarter of last year. Non-manufacturing companies, on the other hand, did considerably better, and pushed up their third quarter performance by 17 per cent., with airlines showing the sharpest increase (36 per cent.) followed by trucking firms (34 per cent.).

Overall, third quarter profits should help confirm the 11 per cent. increase in capital spending recently projected for next year by a McGraw Hill survey.

Gulf and Western denies Bohack allegations

NEW YORK, Nov. 22.

GULF AND WESTERN Industries denied allegations in a suit filed in New York State Court that it contributed to the financial collapse of Bohack Corporation in 1974.

The suit, filed against Gulf and Western and its chairman, Mr. Charles G. Bluhdorn, among others, alleges that the 1973 tender offer by Gulf and Western for 15 per cent. of the Great Atlantic and Pacific Tea Company contributed to the financial collapse of Bohack in 1974.

The Bohack suit further alleges that during the Gulf and Western tender for Great Atlantic, Mr. Bluhdorn disposed of his stock and withdrew Gulf and Western's support in obtaining financial credit for Bohack.

A Bohack spokesman said that Mr. Bluhdorn owned about 250,000 Bohack shares, and besides his seat on the Board had three of his nominees on the Bohack Board.

The exchange of the common stock for preference stock is designed to be tax-free to Emery shareholders.

New York banks move for free trade zone

By John Wyles

NEW YORK, Nov. 22.

NEW YORK'S MAJOR banks have submitted proposals to the State Government aimed at making New York a "free trade zone" for international banking.

The banks, through the New York Clearing House Association, claim that New York is slipping from its pre-eminent position as an international financial centre, partly because it cannot compete with the freedoms offered to international banking operations by such centres as London, Paris, Singapore and The Bahamas.

Proposals currently being discussed with the New York State Banking Department would involve changes in both taxation and regulatory matters. The banks argue that the international operations of American and foreign banks, if loans and deposits of purely international origin and destination could be transacted free of the regulatory and legislative constraints currently designed to apply to domestic operations, they would be maintained in the U.S. using domestic bank personnel and expertise.

The document goes on: "In effect, banks would be allowed to establish specifically designated branches which would deal only in international transactions. The concept already exists in many foreign cities and in countries which, as a result, have become international banking centres at the expense of the U.S. and more specifically, New York."

The proposal allows for the maintenance of existing interstate banking regulations, which means that the national banking branches would be limited to New York in the case of New York banks, and, say, Chicago for Chicago banks. It says that New York would specially benefit because of the size of its banks and the international scope of the operations—some now draw more than half of their pre-tax earnings from abroad.

Citibank, in its version of the proposal, has estimated that a free trade zone for banking could create another 30,000 jobs in New York.

The banks' plan has been put forward for inclusion in the legislative agenda of the State Government. It still has a considerable way to go, and even if the politicians become convinced of its merits, the Federal Reserve Board would also have to be won over to make the necessary adjustments to its banking regulations.

Salzgitter dispels merger rumours

BY JONATHAN CARR

BONN, Nov.

THE STATE-owned Salzgitter efforts it could pull itself successfully through the crisis. The group's expression of confidence comes as the German steel industry enters its fourth recession year, with only about 60 per cent. of capacity being utilised and more than 30,000 workers on short time. A rise in orders in September was not sustained last month.

Salzgitter, which is involved in engineering, shipbuilding and energy as well as steel, said that its total loss in 1976-77 exceeded the DM50m. deficit for 1975-76. It did not specify the loss figure, but it made clear that earnings in its engineering and energy sectors helped compensate for the losses of the steel-making arm, Stahlwerke Peine-Salzgitter.

Group turnover was down by 6.3 per cent. to DM2.3bn. Turnover of Stahlwerke P.—S dropped by 8.1 per cent. to DM2.2bn. and that of the steel trading business, Handelsgesellschaft Salzgitter, by 5.3 per cent. to DM2.3bn.

In contrast, Salzgitter's oil and gas sales were up by about 8 per cent. to DM453m. Overall investment last year totalled DM450m.

against DM333m. in 1976. The group foresees total investment of about DM1.5bn. medium-term planning to 1980. In separate comments, Salzgitter's chairman Hans-Bir was notably cautious about prospects for the mammoth steel project in the Union, for which the company hopes to be one major contractor.

Herr Birbaum describes himself as "neither pessimist nor optimistic." The German steel industry has presented its proposals to the Government. However, Herr Birbaum felt the German steel industry is not optimistic. The value of deliveries first construction phase project was put by Herr Birbaum at about DM1.5bn. He proposed to deliver a pellet plant and the Kurf direct reduction plant. There has been speculation that the deal might be tied up during the visit here of the Soviet Mr. Leonid Brezhnev. He the visit has been talked for more than a year now still no date has been

U.S. purchase by Brown Boveri

ZURICH, Nov.

BROWN BOVERI and Cie AG said it has agreed to acquire from Studebaker-Worthington incorporated the gas turbine division of its subsidiary Turbodyne Corporation, Minneapolis, by the end of this year.

Minnesota, employs over 300 people and expects to achieve a turnover of about \$50m. in 1977. By acquiring the Brown Boveri is enlarging its north American base and is thus creating necessary conditions for further expansion of its U.S. subsidiary, Brown Corporation, at North Br. Jersey.

EUROBONDS Dollar sector sees more activity

BY FRANCIS GILES

IN THE STERLING sector, the dollar sector of the market picked up a little yesterday after a very quiet start to the week on Monday. Some prices were up by about an eighth, while others showed no signs of change, and dealers will be watching closely to see at what price it opens. The ECSC issue has now settled down to 100-100 1/2 in the secondary market, but is not a good yardstick as the terms are very different.

Two issues in the Deutsche market were priced yesterday: the DM100m. bullet for Oesterreichische Landesbank was priced at 100 1/2, while the DM100m. issue for Genossenschaftliche Zentralbank was priced at 100 1/2. Turnover in this sector of the market has been moderate so far this week, with prices a little easier yesterday.

Settsu Paperboard MFG. Co. will issue a 15-year \$100m. variable bond in the Asian dollar market. Lead manager of the issue is Daiwa Securities.

KENNECO COPPER CORPORATION advertisement with logo and contact information.

EURUNION European Investment Fund advertisement with details on income distribution and investment agents.

£25,000,000 Total Oil Marine Limited advertisement for 9 1/8% Guaranteed Sterling Foreign Currency Notes due December 1, 1984.

Table of financial data including STRAIGHTS, CONVERTIBLES, MID-DAY INDICATIONS, and FLOATING RATE NOTES.

Transamerica Record 9 Months advertisement featuring a bar chart showing performance from 1976 to 1977.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

CHINESE NEWS

Heavy setback on Tokyo market

CHARLES SMITH

TOKYO stock market fell to its heaviest fall for years to-day, as the Nikkei average fell 108.46 points...

The high Yen which rose another 1.50 points on today's foreign exchange market to close at 214.20...

mean that the medium term outlook, until recently fairly bright, is now beginning to look distinctly doubtful.

is any real chance of a new burst of demand for Japanese stocks. Stocks which fell particularly heavily on today's market included a number of export "blue chips" in the electrical and motor industries.

TOKYO, Nov. 22.

Bank loans for Hakodate Dock

BY OUR OWN CORRESPONDENT

TOKYO, Nov. 22.

JAPAN'S SEVENTH largest shipbuilding company, Hakodate Dockyard, has received ¥4.4bn worth of loans from a consortium of banks headed by Fuji Bank...

building company in the Fuyo Industrial Commercial Group, which Fuji Bank is the leader.

estimated to be operating at around 50 per cent. of its peak capacity. Hakodate may also face exchange losses on some of its export orders, but these are unlikely to have had much effect on its profitability until the last month or two.

Malaysian lottery power struggle

By Wong Sulong

KUALA LUMPUR, Nov. 22. A POWER struggle has broken out between two rival groups of directors in the Magnum Corporation, the Malaysian lottery organisation.

A group of seven directors, considered to be the "old guard" led by Mr. Lim Ching Seng and Mr. Lim Chooi Kai, is calling for a Board meeting to discuss the removal of its chairman and chief executive, Datuk Khoo Ray Peng.

Husqvarna Board approves offer from Electrolux

BY WILLIAM DULLFORCE

STOCKHOLM, Nov. 22.

ELECTROLUX, the electrical household equipment group, today made an offer of just under Kr100m (£11.5m.) for the stock of the Husqvarna kitchen equipment, sewing machine and motor cycle manufacturer.

Announcing the offer at a Press conference this evening after a meeting of the two Boards, the chairman of Electrolux, Mr. Hans Werthen, said the recent sharpening of international competition necessitated the creation of a bigger unit with greater capital strength.

At a rate of some Kr44m. a year and net interest charges of around Kr20m. were not going to be covered by the operating profit.

The offer is conditional on acceptance by holders of 80 per cent. of the Husqvarna stock. The offer is conditional on acceptance by holders of 80 per cent. of the Husqvarna stock.

The offer is conditional on acceptance by holders of 80 per cent. of the Husqvarna stock. The offer is conditional on acceptance by holders of 80 per cent. of the Husqvarna stock.

Stocks had increased by 11.6 per cent. in the eight months, investments were continuing at a sales.

on profits rise

SONY Company, the leading manufacturer of car and stereo, has announced a 25 per cent. rise in net profit for the year to September 30, 1977.

African Products peak profit

BY RICHARD ROLFE

JOHANNESBURG, Nov. 22.

AFRICAN PRODUCTS, which manufactures maize, starches, glucose and chemical products, continues to achieve outstanding growth.

Net taxed profit was up from a substantial minority stake. Although Tate and Lyle recently disposed of its main subsidiary in South Africa, Illovo Sugar has been raised from 35 cents to 43 cents, putting the shares of African Products in a candidate for sale.

Tate and Lyle also retains an interest in the proposed manufacture of detergent from sugar through a joint venture with the chemical group Sentrachem.

Loss cut at W. Jacks

By Our Own Correspondent

SINGAPORE, Nov. 22. WILLIAM JACKS and Co. (Malaya) Berhad—an associate company of the Ocean Transport and Trading subsidiary, Straits Steamship—has reported an after tax loss of 2.5m. Malaysian ringgits for the year ended June 30, 1977 compared with the loss of 2.8m. Malaysian ringgits.

AUSTRALIAN COMPANIES

Ansett well ahead of budget

BY JAMES FORTH

SYDNEY, Nov. 22.

GROUP RESULTS of Ansett Transport Industries, the airline, transport, television hotel and tourist group, were considerably ahead of budget, the chairman, Sir Reginald Ansett, told shareholders at the annual meeting in Melbourne.

year was moving at about 10 per cent. Sir Reginald told the meeting that Sydney's airport needed upgrading and development before its current traffic congestion reached the point where it had a crippling effect on air services throughout the entire country.

Asked about the recent purchase of a 48 per cent. stake in the troubled finance company, Associated Securities, Sir Reginald said he was satisfied the investment would be of long term benefit to shareholders even though a satisfying dividend might be some time away.

more gain

GAIGUMI COMPANY, the engineering and construction concern, made after-tax profit of ¥8.97bn. in the year to September 30, compared with ¥8.5bn. in the previous year.

Date set for Hong Kong exchanges' link

HONG KONG, Nov. 22.

THE LONG awaited unification of Hong Kong's four Stock Exchanges is now earmarked for the early part of 1980, on reports that interest pay commission announced there today that the decision to merge Hong Kong's existing four trading floors was taken at a regular meeting of the Stock Exchanges Unification Working Party.

introducing legislation to bring about unification unless tangible evidence of voluntary progress towards a merger could quickly be shown.

The Far Eastern Economic Review earlier reported that Hutchison sold its stake in the container berth operator to other shareholders, which include the Swire Group, Overseas Containers and the Hong Kong and Shanghai Banking Corporation.

Disposal lifts Hutchison

HUTCHISON INTERNATIONAL has sold its minority interest in Modern Terminals for \$HK33m, giving rise to an extraordinary profit of \$HK27m.

GM Mexican venture

GENERAL MOTORS Corporation is setting up a subsidiary in Mexico to make automotive wiring systems, AP-DJ reports from Detroit.

U.S. \$30,000,000 The Mitsui Bank Ltd.

Negotiable Floating Rate U.S. Dollar Certificates of Deposit Series B — Maturity date 24 November 1980



According to the provisions of the Certificates of Deposit notice is hereby given that for the initial month interest period from 23 November 1977 to 23 May 1978 the Certificates will carry an interest rate of 7 1/2% per annum.

Agent Bank The Chase Manhattan Bank, N.A., London

Alliance Tire sales up

BY L. DANIEL

TEL AVIV, Nov. 22.

ALLIANCE, the Israeli tyre manufacturer, reported an increase in sales in the first nine months of 1977 to £20m. passed onto consumers abroad, sterling from £14m. in the same period last year.

Net profits rose to £800,000 from £630,000 a year earlier, but Alliance's largest market—have been hit by the U.S. east coast port strike, while exports to Australia may have to be stopped due to the increase in steadily reduced profitability.

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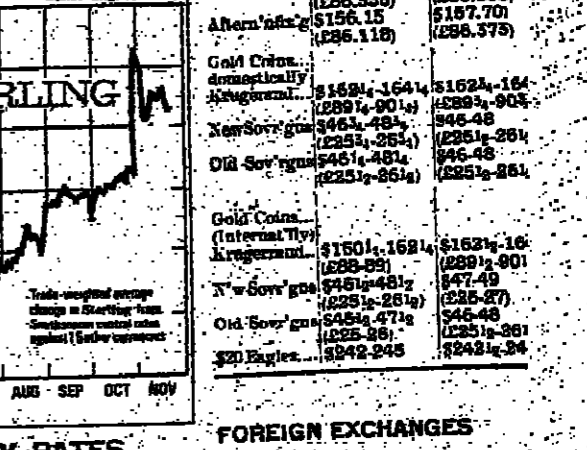
WALL STREET JOURNAL FOREIGN EXCHANGE & \$ weaker

BY OUR WALL STREET CORRESPONDENT

POWERED BY signs that U.S. inflation is moderating, Wall Street moved ahead over a broad front today in busy trading. The Dow Jones Industrial Average recorded an advance of 6.41 at 942.32 and the NYSE All Common Index rose 40 cents to 52.39...

gained ground, although there was a slight recovery in demand in later trading. Leading Chemicals and Electricals were up to DM1.50 cheaper, while Daimler led Motors down with a loss of DM2. Banks and Engineering finished with declines ranging to DM3, although Thyssen-Huetten was a firm exception, rising DM1.30.

Pirelli Spa put on L14 to L1,032, but Sna Viscosa weakened L11 to L90. JOHANNESBURG — Golds drifted easier in quiet trading, recording lower Bullion indications and a general lack of interest. Coppers were unchanged to a fraction easier, but Asbestos gained between 3 and 7 cents in this trading. Platinums were generally softer.



TUESDAY'S ACTIVE STOCKS

Table listing active stocks with columns for Stock Name, Change, and Price. Includes titles like Dow Jones, NYSE All Common, etc.

that consumer prices in October gained at a 3.6 per cent, adjusted annual rate, the same month rise as in the previous month. Most analysts had been looking for a bigger increase, some for as much as 7.2 per cent.

OTHER MARKETS

Canada irregular. Stocks on Canadian Markets continued to move irregularly in thin trading conditions yesterday. The Toronto Composite Index

COBLENZ — The Market relinquished more of the recently gained ground, although there was a slight recovery in demand in later trading.

EXCHANGE CROSS-RATES

Table showing exchange cross-rates for various currencies including London, Frankfurt, Zurich, and others.

CURRENCY RATES

Table showing currency rates for various international currencies like Swiss Franc, Dutch Guilder, etc.

INDICES

NEW YORK - DOW JONES. Table showing index values for various sectors like Industrial, Retail, Transport, etc.

NEW YORK - ALL COMMON

Table showing stock indices for various countries including Australia, Belgium, Denmark, France, Germany, Holland, Hong Kong, Italy, Japan, Singapore, etc.

EURO-CURRENCY INTEREST RATES

Table showing interest rates for various Euro-currency deposits and loans.

FORWARD RATES

Table showing forward rates for various currencies and terms.

OVERSEAS SHARE INFORMATION

Large table providing detailed share information for various international companies, including stock names, prices, and other financial data.

Vertical advertisement on the right edge of the page, including 'Christmas gifts' and 'Merlot Gift'.

Monday, November 23, 1977

RAW MATERIALS

Planes bar amateur farmers

OPENHAGEN, Nov. 22. ... DALSAGER, the Minister of Agriculture, ...

Dutch plan to move into British potato market

BY CHRISTOPHER PARKES
DUTCH POTATO experts are planning to move into the British market...

the home, export and processing market... While the Potato Marketing Board is ultimately in charge...

Leaders meet West Indies

BRUSSELS, Nov. 22. ... Ministers of the EEC and Mr. Finn Olaf...

Delayed coffee arrives in U.S.

NEW YORK, Nov. 22. ... ever, cocoa prices abroad have been rising...

output totalled 9,036,000 bags (60 kilos each). This compares with 8.5m in 1975-76...

Pig farmers say 'no' to price cuts

BY CHRISTOPHER PARKES

LEADERS OF Britain's pig farmers have turned down flat proposals from bacon curers...

KENYAN AGRICULTURE

Sugar output nears self-sufficiency

BY JOHN WORRALL

KENYA'S SUGAR output, helped by good rains and an energetic state policy, is gradually approaching the point at which it will make the country self-sufficient...

was designed to mill 1,700 tons of cane a day, equivalent to about 45,000 tons of sugar a year.

Mumias helps the outgrower to prepare his land, supplies ploughing, harrowing and seedling services...

MINIUM INDUCTION

... aluminium production... BRUSSELS, Nov. 22. ...

COFFEE

On another uneventful day, terminal values remained steady in the absence of any strong pressure...

... coffee prices abroad have been rising... The market also reacted to the widening and aggressive bidding for higher grade coffee...

Lower cotton crop estimated

WASHINGTON, Nov. 21.

THE U.S. Agriculture Department has forecast a U.S. cotton crop of between 10.5m and 12m...

Commodity fund talks 'face breakdown'

BY OUR OWN CORRESPONDENT

DEVELOPING COUNTRIES' statements that the Third World warned today of a possible breakdown in the negotiations...

Unsettled, for a common fund of \$6bn, to finance both individual commodity agreement buffer stocks and other measures...

COMMODITY MARKET REPORTS AND PRICES

Table with columns: Commodity, Price, Change. Includes Gold, Silver, Copper, etc.

Table with columns: Commodity, Price, Change. Includes Wheat, Soybeans, etc.

Table with columns: Commodity, Price, Change. Includes Coffee, Tea, etc.

Table with columns: Commodity, Price, Change. Includes Rubber, etc.

MEAT/VEGETABLES

Table with columns: Commodity, Price, Change. Includes Beef, Pork, etc.

PRICE CHANGES

Table with columns: Commodity, Price, Change. Includes various metals and grains.

U.S. Markets

Table with columns: Commodity, Price, Change. Includes various U.S. market items.

CHRISTMAS GIFTS

Advertisement for Christmas cards and gifts, featuring 'Our Christmas Cards turn into flowers'.

CLASSIFIED ADVERTISEMENT RATES

Table with columns: Advertisement Type, Rate. Includes Industrial and Business, Personal, etc.

WOOL FUTURES

Table with columns: Commodity, Price, Change. Includes Wool futures data.

FINANCIAL TIMES

Table with columns: Index Name, Value, Change. Includes FT 100, etc.

REUTERS

Table with columns: Index Name, Value, Change. Includes Reuters indices.

INDUSTRIAL

Advertisement for Industrial services and products.

COCAOA

Prices rallied as a reaction to the report of a decline in the London market...

VEGETABLE OILS

CHICAGO SOYABEAN OIL - The market was quiet... RUBBER - Prices c and L/D for...

MOODY'S

Table with columns: Index Name, Value, Change. Includes Moody's indices.

JAPAN BUYS U.S. WHEAT

JAPAN bought 158,000 tonnes of U.S. wheat for January shipment...

GRAINS DIP SHARPLY; COCOA UP

PRECIOUS METALS and copper closed higher... Grains and cocoa prices...

Gilt-edged lower on unsettled financial background

Leading equities above worst with index 3.5 off at 471.8

Account Dealing Dates
Option
First Declared Last Account Dealing Dates
Nov. 25 Dec. 6 Dec. 12 Dec. 29 Dec. 30 Jan. 11

over, left final quotations above the worst with falls ranging to 1 1/4 Exchequer 1 1/2 per cent, 1980, lost 1/4 to 109 7/8. It was much the same story in the long which opened and closed with falls extending to 1 1/4. The tap Treasury 10 per cent, 1982, finished 1 1/2 off at 93 1/2 after 93 1/4.

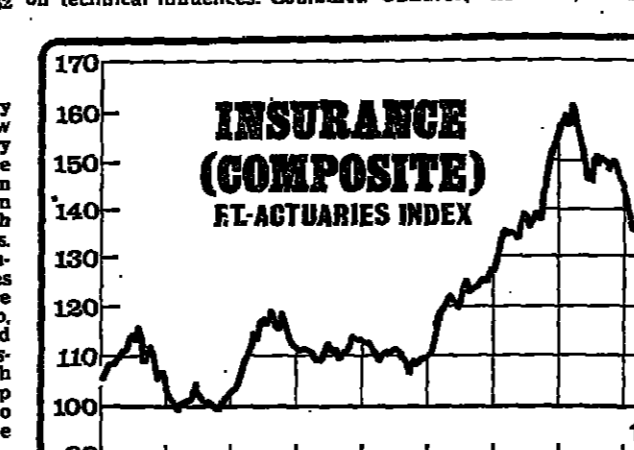
Comet Radio jump
The feature of Electricals was Comet Radiovision which jumped 1 1/4 to 130 on the sharp rise in preliminary profits and proposed 50 per cent scrip issue.

Truist Houses Forte reacted 6 to 18 1/2 in Hotels and Caterers. Leisure and General finished 3 cheaper at 58p, marginally below the 60p share cash offer from Ladbroke; the latter ended 5 easier at 176p.

Powell Duffry fall
Some leading miscellaneous Industrials recovered earlier falls. Bechtam, down to 81 3/4 at one stage, closed untraded on the day at 82p, while Glaxo also ended unchanged at 58 1/2p, after 57 1/2p.

Properties unsettled
Growing fears of higher interest rates further unsettled Properties. Land Securities declined 4 to 195p, while W&AFC shed 5 to 10 1/2p.

South African Golds
South African Golds lost further ground in the wake of the bullion index, which gave up 50 cents more to \$156.875 per ounce.



English touched 86p following adverse comment before closing weaker market on further consideration of last week's third-quarter figures and declined 3 to 30 1/2p, after 30p.

FINANCIAL TIMES STOCK INDICES. Table with columns for Nov '77, Nov '76, % change, and categories like Government Stocks, Fixed Interest, Industrial Ordinary, Gold Mines, etc.

HIGHS AND LOWS. Table with columns for High, Low, and categories like Govt. Sec., Fixed Int., Ind. Ord., Gold Mines.

NEW HIGHS AND LOWS FOR 1977. Table listing various stock indices and their high and low values for the year 1977.

RISES AND FALLS YESTERDAY. Table showing percentage changes for various stock categories.

FT-ACTUARIES SHARE INDICES. Large table listing various equity groups and sub-sections with their respective indices and price changes.

FIXED INTEREST PRICE INDICES. Table showing yields and rates for various fixed interest instruments.

RECENT ISSUES. Table listing recent stock issues with details on price and volume.

RIGHTS OFFERS. Table listing rights issues and offers with details on terms and prices.

ACTIVE STOCKS. Table listing active stocks with their denominations, closing prices, and changes.

BLACK DIAMONDS PENSIONS LIMITED. Offer for the Ordinary Shares of THE BRITISH INVESTMENT TRUST LIMITED. Includes details on price, terms, and contact information.

FINANCIAL EXPERTS REASSESS COMMODITIES - HAVE YOU? Free reprint of an article comparing results of investments in commodities with alternatives.

AUTHORISED UNIT TRUSTS OFFSHORE AND OVERSEAS FUNDS

Main table listing various unit trusts and funds with columns for name, manager, and performance metrics.

CLIVE INVESTMENTS LIMITED table with columns for investment type and value.

CORAL INDEX: Close 470.475

INSURANCE BASE RATES table with columns for insurance type and rate.

BASE LENDING RATES table with columns for bank/institution and interest rate.

IN 50,000 BETTER TOMORROWS! Text regarding Multiple Sclerosis research and funding.

Table listing various insurance and financial services.

Table listing various insurance and financial services.

Table listing various insurance and financial services.

Text regarding insurance and financial services.

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Table listing various insurance and financial services.

Text regarding insurance and financial services.

BE The British Engineers RIVETING SYSTEMS PARTS FEEDING AND ASSEMBLY SYSTEMS OTHER AIDS TO INCREASED PRODUCTIVITY Send for The Guide to the BE Group

FT SHARE INFORMATION SERVICE

HOTELS-Continued

Table with columns: High, Low, Stock, Price, Div, Yield, etc. for various hotel companies.

INDUSTRIALS (Miscel.)

Table with columns: High, Low, Stock, Price, Div, Yield, etc. for various industrial companies.

ENGINEERING-Continued

Table with columns: High, Low, Stock, Price, Div, Yield, etc. for various engineering companies.

ELECTRICAL AND RADIO

Table with columns: High, Low, Stock, Price, Div, Yield, etc. for various electrical and radio companies.

FOOD, GROCERIES, ETC.

Table with columns: High, Low, Stock, Price, Div, Yield, etc. for various food and grocery companies.

HOTELS AND CATERERS

Table with columns: High, Low, Stock, Price, Div, Yield, etc. for various hotel and catering companies.

BUILDING INDUSTRY-Cont.

Table with columns: High, Low, Stock, Price, Div, Yield, etc. for various building industry companies.

AMERICANS-Continued

Table with columns: High, Low, Stock, Price, Div, Yield, etc. for various American companies.

CANADIANS

Table with columns: High, Low, Stock, Price, Div, Yield, etc. for various Canadian companies.

BANKS AND HIRE PURCHASE

Table with columns: High, Low, Stock, Price, Div, Yield, etc. for various bank and hire purchase companies.

CHEMICALS, PLASTICS

Table with columns: High, Low, Stock, Price, Div, Yield, etc. for various chemical and plastic companies.

CINEMAS, THEATRES AND TV

Table with columns: High, Low, Stock, Price, Div, Yield, etc. for various cinema, theatre, and TV companies.

DRAPERY AND STORES

Table with columns: High, Low, Stock, Price, Div, Yield, etc. for various drapery and store companies.

BUILDING INDUSTRY, TIMBER AND ROADS

Table with columns: High, Low, Stock, Price, Div, Yield, etc. for various building, timber, and road companies.

BRITISH FUNDS

Table with columns: High, Low, Stock, Price, Div, Yield, etc. for various British funds.

INTERNATIONAL BANK

Table with columns: High, Low, Stock, Price, Div, Yield, etc. for various international bank funds.

CORPORATION LOANS

Table with columns: High, Low, Stock, Price, Div, Yield, etc. for various corporation loans.

COMMONWEALTH & AFRICAN LOANS

Table with columns: High, Low, Stock, Price, Div, Yield, etc. for various commonwealth and African loans.

FOREIGN BONDS & RAIS

Table with columns: High, Low, Stock, Price, Div, Yield, etc. for various foreign bonds and rais.

AMERICANS

Table with columns: High, Low, Stock, Price, Div, Yield, etc. for various American companies.

مكزاس الاصل

INDUSTRIALS—Continued

Table of industrial stock prices including companies like British Airways, British Petroleum, and various manufacturing firms.

INSURANCE—Continued

Table of insurance stock prices including companies like British Insurance, Commercial Union, and others.

PROPERTY—Continued

Table of property-related stock prices including companies like British Land, National Westminster, and others.

INV. TRUSTS—Continued

Table of investment trust stock prices including companies like British Venture, British Venture, and others.

FINANCE, LAND—Continued

Table of finance and land-related stock prices including companies like British Finance, British Finance, and others.

DAIWA SECURITIES logo and text for International Financial.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stock prices including companies like British Airways, British Airways, and others.

SHIPBUILDERS, REPAIRERS

Table of shipbuilders and repairers stock prices including companies like British Shipbuilders, British Shipbuilders, and others.

SHIPPING

Table of shipping stock prices including companies like British Shipping, British Shipping, and others.

OILS

Table of oil stock prices including companies like British Petroleum, British Petroleum, and others.

MINES—Continued

Table of mine stock prices including companies like British Mines, British Mines, and others.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stock prices including companies like British Newspapers, British Newspapers, and others.

SHOES AND LEATHER

Table of shoes and leather stock prices including companies like British Shoes, British Shoes, and others.

SOUTH AFRICANS

Table of South African stock prices including companies like British South Africans, British South Africans, and others.

RUBBERS AND SISALS

Table of rubber and sisal stock prices including companies like British Rubbers, British Rubbers, and others.

COPPER

Table of copper stock prices including companies like British Copper, British Copper, and others.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stock prices including companies like British Paper, British Paper, and others.

TEXTILES

Table of textile stock prices including companies like British Textiles, British Textiles, and others.

TEAS

Table of tea stock prices including companies like British Teas, British Teas, and others.

MINES

Table of mine stock prices including companies like British Mines, British Mines, and others.

NOTES

Notes section containing various financial notices, company announcements, and market updates.

PROPERTY

Table of property stock prices including companies like British Land, British Land, and others.

TOBACCO

Table of tobacco stock prices including companies like British Tobacco, British Tobacco, and others.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stock prices including companies like British Trusts, British Trusts, and others.

FAR WEST RAIL

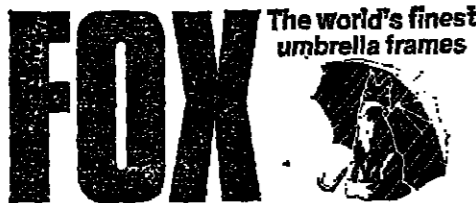
Table of far west rail stock prices including companies like British Far West Rail, British Far West Rail, and others.

REGIONAL MARKETS

Table of regional market stock prices including companies like British Regional Markets, British Regional Markets, and others.

INSURANCE

Table of insurance stock prices including companies like British Insurance, British Insurance, and others.



Fox—a member of the Raine Group, Sheffield



The two Concorde, side by side at Kennedy Airport.

Concorde's twin triumph

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS and Air France Concorde-to-day began regular commercial passenger services between London and Paris and New York with the fastest time yet achieved for the west-bound Atlantic flight...

The aircraft was expected to earn more revenue for British Airways in the next four months than in the whole of the previous financial year.

With the introduction of new Concorde services to New York and soon to Singapore, in addition to the current operations to Washington and Bahrain, Concorde's revenue will increase from £8m in 1976-77 to £20m, in the year to March 31, 1978.

For the third week running Russia's Aeroflot Airlines cancelled the scheduled flight of its new TU-144 supersonic airliner.

'Shocked' Polaroid stops sales to S. Africa

BY JOHN WYLES

NEW YORK, Nov. 22.

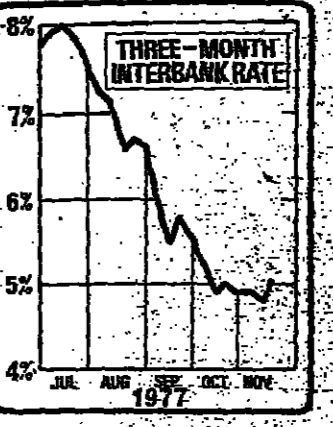
POLAROID CORPORATION is to abandon direct sales to South Africa after being "shocked" to learn that its sole distributor there has been selling the company's products to the South African Government.

Condition

THE LEX COLUMN Monetary jitters in the markets

There are complaints from the discount market that the current wave of speculation about a rise in short-term interest rates has been dreamed up from nowhere by the Press...

Index fell 3.5 to 471.8



Samuel. Meanwhile problems are still being encountered. Fraser Ansbacher, which in the red in the first half of September, attributable to including extraordinary items...

rowing to shareholders' funds to below 50 per cent. With bank overdrafts refinanced by £12m of seven-year loans, the agreement is that the new money should give JFB room to manoeuvre, and it looks as if the group has its eyes on some form of expansion overseas.

Equity fund

Midland Bank has a long-term fund. The long-term fund is the only one of its kind in the UK. It has a long history and has performed well over the years.

IMF may raise quota demand

By Robert Mauthner

PARIS, Nov. 22.

THE INTERNATIONAL Monetary Fund—increasingly worried about its liquidity position—may ask the member States to approve much higher new quota increases than it originally demanded.

The IMF's request is reported to have been made at a meeting of the Deputies of the Group of Ten highly industrialised States here to-day.

At a preliminary meeting of the Group of Ten deputies in Paris earlier this year, IMF representatives said they were prepared to accept increases of no more than 30 to 50 per cent.

Several members of the group, particularly the U.S., W. Germany and Canada, are now believed to be in favour of a quota increase effectively raising the resources available to the IMF for future lending.

The problem is due to be discussed by the IMF Interim Committee in Mexico City in April and the sources said that a meeting at ministerial level would probably be required before or during this meeting if the quota increases were to be agreed on schedule.

European steel industries fear rise in imports

BY DAVID BUCHAN AND ROY HODSON

THE CONTINUING deterioration in the international steel market is causing fears that the British and Continental steel industries will suffer further from a rising tide of cheap steel from other countries.

Steel imports into Britain, France, and West Germany have increased in recent weeks, and a number of customers have given notice to EEC steelmakers including British Steel, that they intend to buy more cheaply from other sources.

Both Industry and Government sources from member nations protest that the market is too weak for price rises. Mr. Edmund Dell, the Trade Secretary, said that higher prices would suck in more imports.

The EEC is being hit particularly hard by steel imports from Comcon countries and Spain. Ministers gave a cold reception to the Commission's plea that EEC governments surrender next year 32m European units of

Unsettled gilts fall back again

BY MICHAEL BLANDEN

PRICES of gilt-edged stocks fell again yesterday in markets unsettled by growing fears of a renewed rise in short-term interest rates.

The uncertainties were increased by arguments in the latest bulletin from the stock-brokers W. Greenwell that short-term rates might now be too low to enable the authorities to keep control of the money supply.

After being marked down sharply early in the day, gilt-edged prices recovered somewhat later.

At the short end of the market there were falls of up to 3/4 at the close, while long-dated stocks ended up to 1 1/2 points lower after being down at one stage. The FT Government securities index dropped 0.80 to 73.13.

Scotland Bill vote

Continued from Page 1

votes in similar divisions as a protest. After the division, Mr. David Steel, Liberal leader, said the clause made no statutory difference to the Bill.

However, Mr. Francis Pym, Conservative Devolution spokesman, claimed that the clause was central to the whole Bill.

When Mr. Foot entered the Chamber after the division was declared, Mr. Pym told him that he could not just brush off a decision of this magnitude.

Weather

U.K. TO-DAY

RAIN moving South, followed by brighter spells. Windy. London, S.E. Coast, S. England, E. Anglia.

Scattered wintry showers. Max. 6-7C (43-48F). S.W., N.E., N.W. Scotland, Cent. Highlands, Moray Firth, Argyll.

Business Centres

Y'day Mid-day Y'day Mid-day

Table with columns for location, Y'day Mid-day, Y'day Mid-day. Locations include Amsterdam, Athens, Frankfurt, etc.

Holiday Resorts

Y'day Mid-day Y'day Mid-day

Table with columns for location, Y'day Mid-day, Y'day Mid-day. Locations include Alghero, Alghero, Alghero, etc.

'Flying columns' to fight fires

BY NICK GARNETT AND CHRISTIAN TYLER

ABOUT A QUARTER of the 1000 extra troops who will be deployed this week in fire-fighting units will act in what the Ministry of Defence terms 'flying columns' in high risk urban areas.

Scotland Bill vote

Continued from Page 1

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Prime help you grow advertisement featuring a cartoon character and text about computer systems.

Vertical text on the right edge of the page, including 'estates', 'probe', 'botaged', 'charges', 'PRIME COMPUTERS'.